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Japan 'Likely To Participate' in DPRK Reactors

SK2908095294 Seoul YONHAP in English 0943 GMT 29 Aug 94

[Text] Tokyo, 29 Aug (YONHAP)—Japan is likely to participate in a consortium to be formed to build light-water nuclear reactors in North Korea when the nuclear standoff with the reclusive Stalinist country is settled.

Meeting a group of visiting South Korean journalists Monday, Administrative Vice Foreign Minister Kunihiko Saito said Japan hopes the light-water reactors to be built in North Korea will be the South Korean model.

"But we've not yet made the final decision on Japan's role in North Korea's light-water reactor construction project, and we'll closely follow the progress of the coming U.S.-North Korea talks, including the expert-level meeting," he added.

There should be discussions among Japan, South Korea and the United States about their burden-sharing in the light-water reactor project, he remarked.

On Tokyo-Pyongyang normalization talks, Saito said North Korea's guarantee of nuclear transparency is not a precondition of the talks, adding, however, "but this is a problem that must be solved before normalizing relations between the two countries."

Asked about compensations to Korean women mobilized as sex slaves of the Japanese Army during World War II, he said the Japanese Government is not in a position to compensate directly them for their sufferings but added it would announce a package of indirect compensations before 1995, the 50th anniversary of the close of the war.

On the issue of Korean residents in Sakhalin, the vice foreign minister said Japan would positively move to settle this issue through discussions with South Korea and Russia. "We'll shortly start working-level discussions about how to determine the number of Koreans wishing to be repatriated to South Korea and other issues," he added.

Japan, Others Urge 'Soft' Fishing Regulations

OW2708071894 Tokyo KYODO in English 0639 GMT 27 Aug 94

[Text] New York, Aug. 26 KYODO—A United Nations conference to discuss measures for preservation and management of fish resources adjourned Friday [26 August] after adopting a draft agreement on regulations on the high seas.

Japan, China and South Korea were among a minority group calling for "soft" regulations on the high seas under a nonbinding agreement and opposing formulation of an international accord.

Canada, Latin America and littoral nations in the South Pacific demanded an international treaty providing for tight regulations to prevent rapacious catches in international waters, conference sources said.

The United States and the European Union joined the majority group under pressure from environmental groups, they said.

The conference on straddling fish stocks and highly migratory fish stocks will try to reach accord on a treaty by next summer for ratification at the UN General Assembly session in the fall, the sources said.

The sources said the draft agreement circulated to participating nations softened proposed guidelines for fish hauls apparently in consideration of the position of the minority group.

They said the treaty nonetheless will have a serious impact on Japan's pelagic fishery industry.

In Tokyo, the Fisheries Agency said it would be difficult to unilaterally control catches of highly migratory fish such as tuna and bonito as demanded by littoral nations.

Agency officials said Japan will continue to appeal for flexible regulations under international organizations.

The officials said, however, Japan will take a positive approach toward international regulations to preserve and manage fish stocks.

Japan

'Tough' Negotiations With U.S. To Continue

OW2708064594 Tokyo SANKEI SHIMBUN in Japanese 25 Aug 94 Morning Edition p 9

[Text] A senior Foreign Ministry official disclosed on 24 August that Yohei Kono, deputy prime minister and concurrently foreign minister, will hold a final round of discussions with U.S. Trade Representative (USTR) Mickey Kantor in a bid to settle the deadlocked Japanese-U.S. framework trade talks. Kono, who is scheduled to attend the UN General Assembly session in late September, plans to stop over in Washington to meet Kantor before proceeding to New York. The Japanese and U.S. Governments are currently working out the scheduled meeting, hopefully for 23-24 September.

Kono and Kantor are also scheduled to meet on the afternoon of 8 September in Los Angeles prior to the quadrilateral trade talks slated to begin there on 9 September. However, at the subcabinet-level talks on government procurement to be resumed on 7 September, Japanese and U.S. negotiators will not hold in-depth discussions on the issue of objective criteria which has been the greatest barrier in the trade talks. Instead, they will hold discussions on the topic of steps to improve procurement procedures. Therefore, it has been determined that the time is not yet ripe for settling the issue.

At the subcabinet-level talks, Japanese negotiators are expected to present their U.S. counterparts with a compromise proposal for improving procedural matters regarding government procurement. Under this proposal, the criteria for determining whether a matter regarding government procurement of telecommunications and medical equipment would be subject to bidding will be considerably lowered from the current value of 800,000 special drawing rights (SDR) units (equivalent to about 120 million yen).

In future negotiations, "it will be difficult to reach an agreement on the automobile and auto parts sector," (as stated by a senior Foreign Ministry official). However, Japanese negotiators hope to work for a settlement regarding government procurement talks by mid-September along with the negotiations in the insurance sector which were resumed on 23 August. They also want to avoid the United States taking punitive measures against Japan in accordance with a provision on government procurement under the U.S. Trade Act and Japan being determined as an unfair trading partner in accordance with the renewed Super 301 provision on determining unfair trade practices and taking punitive action against unfair trading partners of the Trade Act. Therefore, it is expected that tough negotiations will continue between Japanese and U.S. negotiators.

Intellectual Property Rights Issue Reviewed

OW2708081094 Tokyo NIHON KEIZAI SHIMBUN in Japanese 26 Aug 94 Morning Edition p 5

[Unattributed article: "Japan-U.S. Accord on 'Intellectual Property Rights'"]

[Text] At the economic framework talks held in mid-August, Japan and the United States agreed on the issue of intellectual property rights. Under the bilateral accord, the United States will introduce a disclosure system of patent applications and a better review system. Legal disputes between Japanese and U.S. companies are expected to decline after the implementation of the accord. However, the United States refused Japan's demand to replace the so- called "first-to-invent" patent system with the widely adopted "first-to-file" system. The U.S. system awards the patent to the inventor who can prove the earliest date of invention although most other advanced nations grant a patent to the earliest applicant. The bilateral negotiations failed to eliminate the source of future trouble.

The bilateral accord was welcomed by most Japanese companies since it requires the United States to disclose patent applications. Kenyu Norichika, director of Toshiba Corporation's intellectual property department, said: "Hereafter, we will not feel like we are walking in mine fields."

Fear of 'Submarine'

Unlike the Japanese patent system where all patent applications are open, the U.S. system does not disclose them until they are finally approved after screening procedures. The U.S. system created the so-called "submarine patents," which suddenly become registered decades after their initial filing. The submarine patents often surface to hit Japanese companies using the technology, and they have to bear large costs for compensation or license contracts.

If the United States introduces the disclosure system, foreign companies can figure out what patent requests are undergoing the screening process. In that case, Japanese companies "do not have to waste development investment" (as noted by Atsushi Nagai, director of Fujisawa Pharmaceutical Company Parent Division) and "can cut costs of unexpected legal disputes" (as noted by Norichika).

Disadvantage for 'First-to-File System'

The United States will also improve its patent review system by allowing the third party's participation in hearings. This means Japanese companies will be given opportunities to advance their opinions in the review process. Lawsuits can be avoided when the administrative procedure accepts the third party's counterargument. Japanese patent attorneys have been critical of the "defective" review system, which is processed exclusively between patent officers and complainants.

However, the review system revision is unlikely to settle all patent disputes between Japan and the United States. At present, most patent-related complaints against Japanese companies are filed by individual U.S. inventors. A senior official of a major Japanese automaker said: "Patent disputes with U.S. companies can sometimes be settled flexibly with such measures as cross license contracts. But disputes with individual inventors often cost us a lot as most of them are not business-oriented."

Traditionally, the U.S. patent system has given preference to individual inventors over companies, and this tradition has materialized as the first-to-invent patent system. However, the unique U.S. system is the primary cause of patent-related disputes between Japan and the United States. As long as the U.S. patent system attaches importance to the date of invention, Japanese and European inventors may not be able to obtain equality with U.S. inventors.

Vagueness in Bilateral Accord

Throughout the bilateral patent talks, Japan urged the United States to adopt the first-to-file system. However, the request was shelved and the accord became quite vague on this issue. The Patent Office said "no further patent negotiations with the United States are planned at present," and hinted at its stance to wait for progress in multinational patent talks. While the Patent Office praised its achievement as the "first accord in the framework talks," it is still the first step of international efforts for patent harmonization.

Current, Past U.S. Trade Talks Analyzed

OW2808051094 Tokyo NIHON KEZAI SHIMBUN in Japanese 25 Aug 94 Evening Edition p 3

[Article by Hiromichi Kaneko, NIHON KEZAI SHIMBUN editorial board member, from the "Compound Eye" column: "Japanese-U.S. Economic Framework Talks in Agony; All Farm-Product Cards Are Used Up; What Is Needed Now Is a View From Up High"]

[Text] A ranking official of the Ministry of International Trade and Industry [MITI] murmured to himself, "Things should not have gone this awry." He was disturbed because he could not tell from the way the Japanese-U.S. economic framework talks were going when they would be able to reach a settlement. The United States continues to demand numerical targets, while the position of Japan, which has been burned in the aftermath of the semiconductor agreement, remains as rigid as ever. With the "summer vacation armistice" coming to an end, the full-scale Japanese-U.S. talks will resume in September, but the outlook for them is grim.

A man running away from a wolf throws a piece of meat to the animal who is chasing him. Then the man runs as far away as possible while the wolf eats it. Naohiro Amaya, managing director of the Dentsu General Institute, once described Japan's strategy on trade negotiations in this manner. Of course, the wolf is the United States, and the man running away is Japan. Japan would settle the negotiations by throwing a piece of bait which the United States is likely to jump at. Because the settlement was not a fundamental one, however, the United States would come up with more demands after that. Japan would throw another piece of bait, knowing very well this is once again only a stopgap measure. Amaya says this is the pattern that Japanese-U.S. trade talks have followed since the end of World War II.

Farm products are easy kinds of "bait." Because the market is closed for many types of farm products, they can become for the United States a symbol of Japan's closed nature. The United States can assert that because the economic impact of market liberalization would affect only certain limited areas of industry, the pains it will bring to the overall Japanese economy should be small.

Besides, politicians better known as "tomato Dietmen" or "beef Dietmen" would come out in fierce opposition to the opening up of the agricultural market. Consequently, the matter then turns into a political issue. Even if good progress was being made in talks on such industrial products as automobiles, semiconductors, and computers, once the issue of farm products comes up, the whole thing becomes clouded.

For instance, in the Uruguay Round of talks, such important topics as intellectual property rights and the services trade became overshadowed [by farm products issues], and the Uruguay Round of talks appeared to exist solely to debate the rice issue.

We cannot think that even the U.S. negotiators believed that opening up the farm products market would contribute much to reducing Japan's trade surplus. We can see that the United States concluded the talks after scoring minor "points" on farm products, even though it was unhappy with the market liberalization for industrial products, because of political considerations concerning the need to "maintain Japanese-U.S. relations." That, however, eventually drove the United States to further types of irritation.

Another typical example is the negotiations on the liberalization of the beef and citrus products markets carried out in the 1980's. Some observers believe the reason why Japan continued for as long as 13 years its voluntary restraints on automobile exports is that the negotiations on beef and citrus products, ranging from expanded import ceilings to complete liberalization, experienced such rough sailing.

But after an agreement was reached on the partial liberalization of rice, an official at the Ministry of Agriculture, Forestry, and Fisheries said, "Demands to liberalize imports of U.S. farm products have stopped with a bang." In the future, there can be demands concerning increasing the volume of rice bought from the United States, but that is not likely to turn into a major issue. In other words, it has become difficult to use farm products as a trump card in settling talks between Japan and the United States.

If such a method of the past can still be used, all Japan will have to do is to find a new type of "bait" with which to replace farm products. But in the economic framework talks, the issues being covered are those which have to do with the basics of the Japanese economy—such as automobiles and auto parts, and financial and insurance services. With these sectors of these subjects being those most crucial to Japan, the government cannot simply yield and say, "Here they are; you can have them."

Apparently the United States is at a loss as much as is Japan. The U.S. Congressional Research Service has started to say: "So many issues remain unresolved between Japan and the United States. The framework talks are a failure." But now there are no more items such as farm products that can be used as reasons to justify a "honorable retreat." It is not clear what the Murayama government will choose to do, and, meanwhile, the United States cannot retreat even if it wants to. William Watts, formerly a senior White House official in the Nixon administration and currently a representative of the U.S. think tank Potomac Associates, said, "This indeed is a good chance for Japan to take the initiative."

The Clinton administration is bound by so many domestic issues. It has no room to make a new move in Japanese-U.S. relations. However, if Japan presents an idea for cooperation on a grand scale with Russia to develop Siberia or for the implementation of a third-country dispute arbitration agent in the economic framework talks while pointing out to the Clinton administration the gains that the United States will achieve from it, I am certain that Japanese-U.S. relations will change tremendously.

Some say that Japan should propose setting up an arena for talks to set rules on Japanese-U.S. competition in the growing Asian market.

The days of resorting only to stopgap measures using "farm products as a trump card" are gone. What is demanded of Japan now is the true resolution of problems going beyond the relations between Japan and the United States.

Tokyo, U.S. Hold Auto Talks in Beijing 28 Aug

OW2908044994 Tokyo KYODO in English 0429 GMT 29 Aug 94

[Text] Tokyo, Aug. 29 KYODO—Japan and the United States held subcabinet-level auto trade talks in Beijing on Sunday [28 August] to lay the groundwork for a higher ministerial meeting in Washington in early September, Japanese officials said Monday.

Sozaburo Okamatsu, Japanese vice minister of international trade and industry for international affairs, met in the Chinese capital with Jeffrey Garten, U.S. Commerce Undersecretary for International Trade.

The two reportedly explored ways of increasing Japanese imports of U.S.-made autos and auto parts, one of the three priority sectors cited under the bilateral trade "framework" talks.

Details of the Okamatsu-Garten meeting, the first auto trade talks between Tokyo and Washington since mid-July, are not known.

The officials at the Ministry of International Trade and Industry, said however that discussion had focused on how differences could be overcome concerning the definition of "objective criteria," measures intended to gauge the openness of Japan's auto market.

Sunday's talks preceded a scheduled Washington meeting on Sept. 7 between Japanese International Trade and Industry Minister Ryutaro Hashimoto and U.S. trade representative Mickey Kantor.

Hashimoto and Kantor will meet before attending the three-day quadrilateral trade ministerial meeting set to open in Los Angeles on Sept. 9.

Tokyo Asked To Give 'Leeway' on Base Budget

OW2908122194 Tokyo KYODO in English 1158 GMT 29 Aug 94

[Text] Tokyo, Aug. 29 KYODO—The U.S. military has asked Japan to give some leeway on how to spend part of the annual budgetary aid Tokyo is obliged to allot under a bilateral defense pact, government sources said Monday [29 August].

The U.S. side is apparently pushing the requests to cushion the negative impact on implementation of annual joint military exercises between Japanese and U.S troops stemming from the squeezed U.S. federal military budget and a higher yen, the sources said.

The requests include one for Japan to shoulder part of transportation costs for U.S. servicemen for joint drills, the sources said, and its acceptance could mean direct funding of drill costs but this is impossible due to Japan's present legal and budgetary constraints.

The U.S. side has also requested Japan to use Self-Defense Forces (SDF) aircraft to transport a contingent of 1,500 U.S. troops within Japan for a special joint-commandering drill slated for this winter, once the contingent arrives from the U.S., they said.

The drill is designed to bolster the efficacy of coordination among commanders of the two nations in directing the movements of Japanese and U.S. troops in times of a contingency.

A constitutional interpretation in some government quarters says that chartering special flights to transport

U.S. troops and thus help reduce U.S. expenses might impinge a constitutional ban on the collective exercise of defense rights.

The U.S. Defense Department in 1993 switched participants in joint drills from U.S. Federal Army soldiers to state troop reservists whose exercises are financed by state budgets, as deployment of the federal army must be funded by the federal budget.

If Japan agrees to shoulder part of the costs, that would help the U.S. pare down its expenses for the drills by several tens of millions of yen, the sources said.

Meanwhile, Japan is facing some difficulties in meeting a U.S. request to obtain more leeway in identifying items of expenditure once the annual budgetary aid of 250 billion yen is turned over from Japan, they said.

Under the Japan-U.S. security pact, Japan is obliged to shoulder labor costs of the 22,000 Japanese workers at U.S. military bases in Japan, as well as their utilities expenses and the costs of maintaining facilities for U.S. servicemen and their families in Japan.

Kono Begins Trip to U.S., Brazil, Argentina, Egypt

Travel Itinerary Detailed

OW2808044094 Tokyo KYODO in English 0356 GMT 28 Aug 94

[Text] Tokyo, Aug. 28 KYODO—Foreign Minister Yohei Kono left Sunday [28 August] on a four-nation tour that will take him to Brazil, Argentina, Egypt and the United States.

Kono will fly first to New York before visiting Brazil from Aug. 30 to Sept. 2 and Argentina on Sept. 2-3, Foreign Ministry officials said.

He will then visit Cairo Sept. 5-7 to attend a U.N.-sponsored international conference on population and development.

From Sept. 7, Kono will visit Los Angeles to attend a meeting of trade ministers from Japan, the United States, Canada, and the European Union.

In Brazil, the Japanese foreign minister will attend a second "troika" meeting in Brasilia of the Rio Group with foreign ministers from Brazil, Ecuador and Chile, as part of Japan's efforts to strengthen ties with Latin American countries.

The "troika" comprises the Rio Group's current chair country, Brazil, with last year's, Chile, and next year's chair country, Ecuador. The first "troika" meeting was held in May 1993 in Tokyo.

The 12-member Rio Group consists of Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Panama, Paraguay, Peru, Uruguay and Venezuela.

Kono is also expected to meet Brazilian President Itamar Franco, Foreign Minister Celso Luiz Nunes Amorim and Finance Minister Rubens Ricupero during his stay in Brazil.

In Argentina, he will hold talks with President Carlos Saul Menem and Foreign Minister Guido Di Tella to discuss bilateral and international affairs.

At the international conference on population and development in Cairo, Kono will deliver a speech and explain Japan's intention to promote international cooperation in the field.

Representatives from some 180 countries, international organizations and nongovernmental organizations are expected to attend the meeting, to be held for the first time in 10 years.

In Los Angeles, Kono will join International Trade and Industry Minister Ryutaro Hashimoto at the quadrilateral meeting of trade ministers.

Kono is scheduled to return to Japan on Sept. 12.

Arrives in New York

OW2908014894 Tokyo KYODO in English 0126 GMT 29 Aug 94

[Text] New York, Aug. 28 KYODO—Japanese Foreign Minister Yohei Kono arrived from Tokyo on Sunday [28 August] on a stopover during a four-nation tour.

Kono, concurrently deputy prime minister, will meet former Secretary of State Cyrus Vance and deliver a speech before the Japan Society here Monday.

Kono will leave New York on Tuesday, heading for Brazil and Argentina.

Starting Sept. 7, he will visit Los Angeles to attend a meeting of trade ministers from Japan, the United States, Canada and the European Union after attending the international conference on population and development in Cairo.

Issues Related to Tokyo's Bid for UNSC Seat

Tokyo's Stance Unchanged

OW2908123394 Tokyo KYODO in English 1207 GMT 29 Aug 94

[Text] Tokyo, Aug. 29 KYODO—A top Foreign Ministry official denied Monday [29 August] that Japan has become cautious in its bid for a permanent seat on the UN Security Council after a remark by Prime Minister Tomiichi Murayama expressing concern about Japan's obligations.

Vice Foreign Minister Kunihiko Saito told a press conference that Murayama's remark does not indicate a change in Japan's stance on its efforts to obtain permanent membership.

He also said it is wrong to assume that Japan has backpedaled on its bid prior to the UN General Assembly session opening next month.

Saito quoted Murayama as saying it is necessary to make clear the obligations and responsibilities concerning the Security Council seat in relation to Japan's constitution, and that position is the same as the Japanese Government's previous stance.

On Sunday, Murayama spoke in Singapore to Japanese reporters accompanying him on his Southeast Asian tour and expressed concern that if Japan were to become a permanent member it might have to assume responsibilities going beyond the boundaries of its constitution.

Murayama also said unanimous support from all Asian nations is essential for Japan to become a permanent Security Council member, a point reiterated at his news conference Monday in Singapore.

Eight Asian Nations Supporting

OW2708121294 Tokyo KYODO in English 1147 GMT 27 Aug 94

[Text] Tokyo, Aug. 27 KYODO—Eight Asian countries are among 36 nations supporting Japan's permanent seat on the United Nations Security Council, Japanese officials said Saturday [27 August].

The eight are Malaysia, the Philippines, Indonesia, Laos, Mongolia, Pakistan, Sri Lanka and Bangladesh, five of which rank high on a list of recipients of Japan's Official Development Assistance.

China, a permanent member of the council, South Korea and Singapore, which were victims of Japan's aggression and expansion before and during World War II, have not yet clarified their stance on the issue.

Israeli Foreign Minister Shimon Peres on Tuesday [23 August] expressed support for Germany's bid for a permanent UNSC seat in apparent acknowledgement of the country's compensation for the holocaust.

Sakigake Members Cautious

OW2908140694 Tokyo KYODO in English 1320 GMT 29 Aug 94

[Text] Tokyo, Aug. 29 KYODO—A senior member of one of the three ruling coalition parties said Monday [29 August] Japan should be cautious in its bid for permanent member status at the UN Security Council.

House of Representatives member Shusei Tanaka, of the New Party Sakigake, told a press conference that although he appreciates Malaysian Prime Minister Mahathir Mohamed's support for Japan's becoming a permanent council member, he wonders what kind of role Japan would be expected to play with such status.

He said Japan is not able to fulfill some of the duties required of permanent council members because of its pacifist constitution and the Japanese people's sentiment, so "there is nothing better than being cautious in tackling the issue."

Mahathir told visiting Prime Minister Tomiichi Murayama on Saturday that he wants Japan to acquire the post and assume responsibilities for ensuring peace and stability in Asia.

Satellite's Geostationary Orbit Flight Delayed

OW2908045894 Tokyo KYODO in English 0450 GMT 29 Aug 94

[Text] Tsukuba, Japan, Aug. 29 KYODO—Space engineers said Monday [29 August] they have postponed placing into a geostationary orbit Japan's sixth engineering-test satellite Kiku, which is currently circling the earth in an elliptical transfer orbit.

A first firing of the satellite's liquid-fuel engine was scheduled to take place Monday at 8:48 a.m., but was rescheduled for Tuesday morning, according to officials at the Tsukuba Space Center of the National Space Development Agency (NASDA) in Tsukuba, Ibaraki Prefecture, which monitors the satellite's course.

They said a sensor measuring radiation from the sun delivered data indicating a satellite position different from the projected location.

Meanwhile, the sensor, which is vital for controlling satellite movements during the transfer from its oval orbit into an almost circular drift orbit, has returned to normal, they said.

Data received from the satellite confirmed it has reached the targeted transfer orbit at an altitude of 250 kilometers above earth and extended its solar panels as planned.

The 2-ton Kiku was successfully delivered into its current orbit Sunday by an H-2 rocket launched from NASDA's Tanegashima Space Center.

Tokyo in Dilemma Over Backing ROK for WTO Head

OW2708132394 Tokyo KYODO in English 1303 GMT 27 Aug 94

[Text] Tokyo, Aug. 27 KYODO—The crucial issue of who Japan should support as a candidate for chief of the emerging World Trade Organization (WTO) has Tokyo breaking out in a sweat, government sources said Saturday [27 August].

The WTO, which replaces the General Agreement on Tariffs and Trade (GATT) in January, is expected to exert a powerful influence over the ongoing evolution of global trade rules.

Four politicians have announced candidacies for the post—Mexican President Carlos Salinas, South Korean Trade and Industry Minister Kim Chol-su, Brazilian economy minister Rubens Ricupero and former Italian foreign trade minister Renato Ruggiero.

South Korea's Kim asked for Japanese support for his candidacy during his recent trip to Tokyo, while the United States, Japan's largest trading partner, is pushing for the selection of Salinas, who inked the North America Free Trade Agreement (NAFTA) in 1992 with Washington and Ottawa.

A Foreign Ministry official said, "A real trade superpower is not fit for the directorship of the WTO." Tokyo wants to secure the number two post of the deputy directorship to defend its interests as a major economic power, the government sources said.

Fearing criticism that Asian nations may monopolize the two top posts, Foreign Minister Yohei Kono remained noncommittal on Kim's quest for the directorship out of concern that backing Seoul's bid may make it harder for Tokyo to get the deputy directorship, the sources said.

The government is also under pressure from members of the Liberal Democratic Party, part of the ruling coalition, to actively campaign for the top post.

An LDP source said, "A WTO director general will exert extremely powerful authority over trade matters, so Japan should strive enthusiastically to win the post."

MITI, MOFA Disagree

OW2808020294 Tokyo NIHON KEIZAI SHIMBUN in Japanese 27 Aug 94 Morning Edition p 5

[Text] There is a subtle difference of opinion between the Ministry of Foreign Affairs [MOFA] and the Ministry of International Trade and Industry [MITI] over whether or not Japan should support Kim Chol-su, ROK minister of trade, industry, and energy, who decided to run for the post of the first secretary general of the World Trade Organization (WTO), which is scheduled to be formed in January 1995. While the MOFA is beginning to show its stand of "studying it in a positive manner" (according to Foreign Minister Yohei Kono), MITI is assuming a prudent posture, saying that "we still have not firmed up our official attitude" (according to MITI Minister Ryutaro Hashimoto). Candidates from many countries are expected to run for the post. However, it seems that attention will be focused on how this rivalry between the two ministries will turn out between now and November, when the government will make its final decision on the issue.

Initially, some Foreign Ministry officials were hoping that someone from Japan would run for the post, but they are now leaning toward the conclusion that "this would be difficult because there is no suitable person in Japan." Therefore, the MOFA is placing its hope on the South Korean candidate, saying that "he will represent the interests of Asia."

Some MITI officials, on the other hand, are of the opinion that "because the ROK still has protectionist sentiments and still bans the import of some Japanese goods, we are not satisfied with the idea of having a South Korean instead of a Japanese become the head of the WTO." Some of them are suspicious of the MOFA and say, "It is possible that the MOFA may use its support for Mr. Kim for diplomatic bargaining."

To some degree, the MOFA also feels uneasy about supporting Mr. Kim. A senior Foreign Ministry official said, "We will be in a disadvantageous position if a candidate that we supported loses the election." Conversely, some MITI official are saying that "maybe we should support him if that ROK candidate has a chance to win." However, it seems likely that the two ministries will agree that it is wise, after all, to bet on a "winning horse." There is a probability that the two ministries will make mutual concessions as each country's stand becomes clear.

Tokyo May Change Stance on Light-Water Reactor

OW2708100294 Tokyo YOMIURI SHIMBUN in Japanese 26 Aug 94 Morning Edition p 2

[Text] On 25 August, a top government official mentioned support for construction of a light-water reactor in connection with the issue of North Korea's suspected nuclear arms development. He said: "We will make our decision after studying the outcome of U.S.-DPRK negotiations. The ROK is also changing." In this way, he hinted at the possibility that, depending on future developments, Japan may not demand clarification of the suspected past nuclear arms development as a precondition to its support.

Regarding North Korea's nuclear arms development, at the U.S.-DPRK high officials' meeting the United States agreed in principle to support construction of a light-water reactor. Accordingly, the United States launched a plan designed to give priority to settlement of current and future suspicions. But Japan indicated its intention of insisting on its demand while cooperating with the ROK saying that settlement of the suspicions, including those of the "past," is necessary for Japan to provide the aid.

Nuclear Reactors for Export to Asia Planned

OW2908112694 Tokyo NIHON KEIZAI SHIMBUN in Japanese 28 Aug 94 Morning Edition p 1

[Text] The Ministry of International Trade and Industry [MITI] plans to develop a low-cost, extremely safe nuclear power reactor (a light-water reactor) in cooperation with heavy electric machinery makers and power companies, and to work on Asian countries and regions to introduce the model for their nuclear power plant projects because there is a possibility that various Asian countries may purchase Russian-made low-priced reactors. It is observed that "as has been proved by the Chernobyl accident, the Russian nuclear power plant system is not only unreliable but can easily be converted into a system for producing nuclear weapons," (as stated by a source at MITI's Natural Resources and Energy Agency). MITI also plans to establish a system for providing technical support for nuclear power plant operation and maintenance. By the end of this year, MITI intends to consult an advisory council on how Japan should promote technical assistance toward Asia and to begin the new reactor development as early as in fiscal 1996.

Presently, 26 nuclear power plants (with a total power generation capacity of 14.92 million kilowatts) have been introduced and are in operation in Asian countries and regions, including China, South Korea, Taiwan, and India but excluding Japan and the DPRK (North Korea). While China has launched a large-scale new power plant project, Indonesia, Malaysia, and Thailand, which do not possess nuclear power plants, plan to introduce them. It is expected that 40 more nuclear power plants will be built in Asia by the beginning of the year 2000.

A large majority of nuclear power plants have been exported by such Western nations as the United States and France. However, Russia, which has a strong intention to speed up its economic reconstruction, has also indicated a strong desire to promote sales of such plants.

In Japan, the cost of constructing a nuclear power plant is estimated at between 40 and 50 million yen, which is very expensive when compared to the cost of Western nations. And it is much less expensive to build a Russian-made nuclear power plant. Reportedly, the construction of a Chernobyl-type graphite-moderated reactor will cost only half the cost for building a Japanese light-water model. The work of maintaining and operating a nuclear power plants is so complicated that only plant manufacturers can handle it. MITI has decided to study a plan for making more nuclear power plants available to Asian countries, and this plan includes development of "low-priced reactors" and promotion of safety maintenance.

According to a plan under consideration, heavy electric machinery makers and power companies, including Mitsubishi Heavy Industries, Hitachi Ltd., Toshiba Corp., as well as Tokyo Electric Power Co., will join in developing a "simplified light-water reactor," which is an essential part of a nuclear power plant. The simplified model will have fewer pipes than an ordinary light-water reactor, thereby making it easier to operate and maintain, and its construction cost will be approximately 30 to 40 percent less than that for the model currently used in Japan.

MITI also plans to invite technicians from Asian countries to Japan for training in such technologies as support operation and plant maintenance. Moreover, a system will be set up for Japanese makers to send technicians to local plants to conduct regular inspections or repair work in case of troubles.

The Nuclear Power Panel of the Advisory Council on Energy (an advisory body to the MITI minister) is scheduled to hold a meeting as early as October to discuss measures to promote Japan's aid for Asian countries in connection with nuclear power plants and work out concrete plans hopefully in fiscal 1995. Consideration will also be given to making use of Official Development Assistance (ODA) funds for the purpose of promoting technical support.

At present, about 420 nuclear power plants (with a total power generation capability of approximately 344 million kilowatts) are in operation in the world. Although the majority of Western nations have adopted very safe light-water reactors, many former Communist countries such as Russia have adopted outdated graphite-moderated reactors. According to a survey conducted by the International Atomic Energy Agency (IAEA), unexpected suspension of operation took place 0.3 times per each reactor at Japanese nuclear power plants (in 1991), less than one-tenth of such incidents taking place in France or the United States.

MITI Denies Report

OW2908120494 Tokyo KYODO in English 0656 GMT 29 Aug 94

[Text] Tokyo, Aug. 29 KYODO—Japan's vice minister of international trade and industry on Monday [29 August] denied a newspaper report that Japan is considering exporting nuclear power reactors to Asian countries.

"I have never heard about such a plan," Hideaki Kumano told a press conference.

The NIHON KEIZAI SHIMBUN newspaper reported Sunday that the Ministry of International Trade and Industry is planning to urge Asian countries to introduce Japan's light-water reactors possibly in fiscal 1996, as an alternative to cheap but technologically dangerous Russian-made reactors.

Kumano said Japan is prepared to support Asian efforts in establishing the safety of nuclear power plants and in developing new types of reactors.

But this cooperation does not lead to Tokyo's willingness to export reactors to Asian countries, he said.

Need for Flexible Stance on SDF Dispatch Noted

OW2708143494 Tokyo MAINICHI SHIMBUN in Japanese 27 Aug 94 Morning Edition p 2

[Text] On 26 August, a top official of the Defense Agency [DA] commented on the dispatch of Self-Defense Forces to nations bordering Rwanda to help Rwandan refugees. He said: "Regarding the range of the SDF activities to be noted in the rescue plan, if the government says the troops should not enter into Rwanda, not even one step inside this nation, it may cause difficulties in their rescue operations."

His comment indicates the DA's intention to ask the government to take a flexible stance on handling the five principles on UN peacekeeping operation participation. For example, the government should allow the SDF to enter Rwanda by restricting its operations there only to a liaison activity with other foreign troops and international organizations.

SDPJ's Draft Proposal Allows PKO Participation

OW2708091894 Tokyo YOMIURI SHIMBUN in Japanese 26 Aug 94 Morning Edition p 1

[Text] Details of "Choices Toward the 21st Century," which is a draft policy proposal the executive of the Social Democratic Party of Japan [SDPJ] plans to submit to the 3 September extraordinary convention of the party, came to light on 23 August. The proposal will be submitted as discussion material for the convention. Concerning UN peacekeeping operations (PKO), the proposal makes clear that the party not only supports the extension of humanitarian aid, as in the case of Rwanda, but also the participation in PKO patterned after the PKO activities in Cambodia aimed at preventing the recurrence of regional strife. The highlight of the proposal is that the executive of the party proposes a review of the party's conventional policies, in which the party has stressed the need for dealing with PKO issues by establishing a non-Self-Defense Forces [SDF] organization, thus calling for drastic changes of the party's position. As for the SDF, the proposal says the party views the SDF as constitutional while calling for revamping of SDF equipment, personnel, and organization to transform the SDF into a "lightly armed and more mobile force" in the post-Cold War era. However, since the proposal reflects opinions of the party executive, it is most likely there will be heated debate over the proposal.

"Choices Toward the 21st Century" was drawn up by a research project team (with Niigata University Professor Tadashi Isayama as chairman) composed of 11 scholars and SDPJ dietmen which was established last April. The executive of the party plans to submit the proposal as discussion material for the party convention wherein attention will be focused on changes in basic policies of the party. The proposal constitutes five chapters, including one entitled "Basic Ideas for Working Out Comprehensive Policies Aimed at Creating Welfare-Oriented Society" and another, "Security of Japan Placing Emphasis on the People's Livelihood and Comprehensive International Strategy."

On the issue of PKO, the proposal notes the need for allowing the SDF to join general PKO activities on condition that "the purposes and missions of PKO are not attended with the use of armed forces," saying "the SDF can take part in traditional PKO activities premised on cease-fire agreements." Although the proposal does not directly refer to the issue of participating in peacekeeping forces (PKF), which has been frozen under the PKO-related law, it suggests that the participation in the PKF should be kept frozen, by saying "the mission should not be attended with the use of armed forces." Concerning the issue of setting up a new organization independent of the SDF, the proposal says "it is necessary to promote nation-wide discussions on whether PKO activities should be participated in by a new organization or the SDF, and finally come to a conclusion after giving rational study to respective strong and weak points of PKO missions by a new organization and the SDF," thus calling for the review of the policies concerning PKO activities.

Regarding the limits of the SDF's defense-oriented defense, the proposal calls for reconfirming the principle of "limited defense" wherein 1) the use of armed forces should be limited until the UN Security Council takes necessary measures to ensure the security of Japan; and 2) the use of armed forces should be limited to Japan's territory and its peripheral areas.

PRC Insurance Market Said Offering Opportunities

OW2708010594 Tokyo KYODO in English 0034 GMT 27 Aug 94

[By Geoffrey Murray]

[Text] Beijing, Aug. 27 KYODO—China is finally opening up the domestic insurance business for foreign involvement, creating vast opportunities for Japanese insurers.

Over the past decade, far-sighted companies have been establishing representative offices in China, even if only for the purposes information-gathering in anticipation of eventually being allowed to open full-fledged agencies to tap what could eventually be a vast market for insurance.

Lack of a developed insurance industry has been identified by the government in Beijing as a potential roadblock to the continued expansion of inward investment as well as the country's booming foreign trade—given the inadequacies in the country's transportation system, the problems of security in troubled inland areas, and the frequency of natural disasters such as floods, typhoons and earthquakes.

At the same time, social changes created by the lessening of government involvement in every aspect of life, have also created a demand for corporate and personal insurance protection in the key areas of health, unemployment and pensions.

The government recently announced that from now on there will be no limit on the number of insurance companies allowed to open agencies in China, although they will still not be allowed to sell life insurance policies.

Nor is the door fully open as yet, as the offices will be restricted to the handful of coastal cities that have special economic development zones. But for the moment, anyway, this is where the major action is as much of the foreign investment has been channeled into the coastal areas, which also dominate the foreign trade.

Three conditions will have to met under existing regulations in order to open an agency: The companies must have a business history of at least 50 years, possess assets and capital exceeding 5 billion dollars, and must have maintained a representative office in China for at least three years.

By early this year, China was home to more than 40 agencies representing 27 insurance companies from Japan, Britain, the United States, Switzerland, South Korea, Taiwan and Hong Kong. Beijing dominated with 27 representative offices, followed by Shanghai and Guangzhou.

The pace has certainly picked up. Officials at the People's Bank of China, the central bank, said that 14 new agencies opened in 1993, half the total approved during the previous decade.

A number of Japanese companies, led by Yasuda Fire and Marine Insurance Co., established agencies in the early 1980s and officials say Japan at present occupies first place in terms of both the number of insurance companies involved and the agencies they have established.

But it is rapidly becoming a very competitive field, with major international insurers looking for ingenious ways to gain an advantage. Continental Insurance Co. of the U.S., for example, has developed close relations with the People's Insurance Co. of China (PICC), which currently handles 90 percent of the country's insurance business.

One of the early arrivals, Continental has conducted insurance-related training courses at various PICC offices around China and has also provided training overseas for key personnel, building up considerable goodwill.

Eagle Star Life Insurance Co. of Britain, which opened offices in Beijing and Shanghai in 1992, has provided funds and teachers for a postgraduate course to train Chinese actuaries at the Central Institute of Finance and Banking in Beijing where a three-year ongoing course is aimed at producing 20 urgently needed actuaries.

Raymond Chu, the company's chief representative, says that there is a strong public relations element in the program, as Eagle Star tries to gain a foothold in the market.

Moreover, he is full of admiration for his Japanese counterparts, who he concedes demonstrated a strong will to get into the Chinese market early and are now poised to reap the benefits of that commitment.

"Even today, China remains a vast, uncultivated territory for insurance. The Japanese came in very well and began providing a timely economic information service for Japanese-funded enterprises, which they naturally regarded as potential major clients once the industry was opened up," said Chu.

"These enterprises will now become ready-made clients and given the dominating presence of Japanese companies in many industrial sectors and in most parts of the country, the insurers will have a strong base for expansion. I expect the next round of agency approvals to be dominated by the Japanese."

This causes some concern among the 200,000 employees of PICC who can see the company's current dominant position being eroded as highly-efficient foreign companies move into the market. Its biggest handicap is that all its premiums have to be paid in local currency, but the company is kept on a very tight rein in obtaining foreign exchange for international reinsurance.

But a manager in PICC's international division sees one silver lining to the dark clouds ahead, saying "under the principle of reciprocity, the entry of foreign firms will help raise our standards and also give us opportunities to enter overseas insurance markets in the years ahead."

Sharp To Make CFC-Free Refrigerators Abroad

942A0602A Tokyo NIHON KEIZAI SHIMBUN in Japanese 16 Aug 94 p 11

[Text] Sharp will embark on the production in Thailand this fall of refrigerators using a fluorocarbon substitute which does not destroy the ozone layer for the compressor coolant. The refrigerators manufactured in Thailand are exported chiefly to Southeast Asia and the Near and Middle East, but consciousness of preserving the environment is growing in these regions too and it has been judged that the demand for fluorocarbon substitute refrigerators will expand. This is the first time for the company to produce fluorocarbon substitute refrigerators overseas.

The production base in Thailand is Sharp Appliances Thailand (SATL). It will remodel production lines so that it can use HFC-134a fluorocarbon substitute in the compressor and heat exchanger and hydrocarbon cyclopentane for the adiabatic foaming agent, with the end of August as the goal. The amount of the investment is about 1 billion yen.

SATL will switch to fluorocarbon substitute refrigerators for all classes produced beginning in October. The company will produce 200,000 units a year in the 300-500 liter effective interior capacity size.

Based on the Montreal Protocol which extolled preservation of the ozone layer, refrigerator manufacturers in Japan, the United States, and Europe are proceeding with a response in the direction of complete abolition of specified fluorocarbons from compressor coolants, adiabatic materials, and foaming agents by the end of 1995. Sharp has already begun production of fluorocarbon substitute refrigerators in Japan, but has judged that it is important to begin production of fluorocarbon substitute refrigerators at an early date in its overseas bases also.

Tokyo Seeks To Prevent Plutonium Smuggling

OW2708135994 Tokyo YOMIURI SHIMBUN in Japanese 26 Aug 94 Morning Edition p 2

[Text] Following the disclosure of an incident in which German authorities seized weapons-grade plutonium, a growing number of people in the world are concerned about smuggling of nuclear materials. In this regard, the Japanese Government began on 25 August to study measures designed to prevent plutonium smuggling. The government will send Naotoshi Sugiuchi, councilor [shingikan] of the Foreign Ministry's General Diplomatic Policy Bureau, to Germany in early September to collect information regarding the incident. In addition, the government is also planning to hammer out concrete measures as soon as possible by sending officials in charge to Russia, which is said to be the source of the smuggled plutonium, other former Soviet republics, the United States, and other countries concerned.

In this connection, Vice Foreign Minister Kunihiko Saito said at a news conference held on the same day: "We would like to study what Japan can do to prevent smuggling of nuclear materials."

The government plans to form an international network designed to exchange information on nuclear issues—including the state of controlling nuclear materials, mafia and terrorist organizations who are trying to obtain nuclear materials, and countries which are suspected of having nuclear weapons. At the same time, the government plans to seek effective measures to deal with the situation while keeping in mind the possibility of promoting international cooperation regarding construction of nuclear material treatment and storage facilities.

At developed countries' summit talks and other meetings, the importance of giving support to former Soviet republics, who inherited nuclear warheads and other nuclear weapons following the collapse of the Soviet Union, has been pointed out repeatedly to secure safety of nuclear materials. Announcing a plan to give a total of some $100 million grant-in-aid to former Soviet republics for their efforts in dismantling nuclear weapons, Japan is supporting the denuclearization plans of these countries by helping them establish concrete projects themselves.

Continued Reportage on 1995 Budget Request

Significant Cuts Urged

OW2908083494 Tokyo KYODO in English 0650 GMT 29 Aug 94

[Text] Tokyo, Aug. 29 KYODO—The head of Japan's Finance Ministry budget bureau on Monday [29 August] asked his followers for utmost efforts to reduce and rationalize expenditures in compiling a draft budget for fiscal 1995, which starts next April, ministry officials said.

Ahead of starting the compilation of the draft budget after Wednesday's deadline for budget requests by government ministries and agencies, Kyosuke Shinozawa made the call at the meeting of budget examiners, reminding them of the nation's severe financial conditions, the officials said.

Shinozawa, director general of the budget bureau, encouraged the examiners to come up with further ideas to carry out significant reduction and rationalization of expenses partly as a way to realize a comprehensive tax reform, they said.

While admitting extremely difficult situations after a year-by-year struggle to rationalize expenditure, Shinozawa stressed the need for all-out effort to break away from dependence on government bonds, referring to expectations that the outstanding government bond issuance may top 200 trillion yen at the end of fiscal 1994, they said.

On Thursday, the Finance Ministry will start screening the budget requests, estimated at 76.57 trillion yen, with an aim at reducing them to some 73 trillion yen, they said.

Cutback on Plutonium Use

OW2808194794 Tokyo NIHON KEIZAI SHIMBUN in Japanese 24 Aug 94 Morning Edition p 1

[Text] The Science and Technology Agency [STA] has decided to cut back its 1995 budget request for the use of plutonium out of consideration for the Social Democratic Party of Japan [SDPJ], which, while approving plans to build new nuclear power plants, is taking a cautious stance on the policy of using plutonium and concerns at home and abroad over Japan's use of plutonium. Now that the large project of building "Monju," a fast-breeder reactor, has almost been completed, the STA will focus the budget request on nuclear fusion research, radioactive waste, and reactor safety measures.

The STA's budget for plutonium use is composed mainly of expenditures for the fast breeder reactor, the reprocessing of spent nuclear fuel, the joint development of a technology needed to manufacture plutonium fuel, and the construction of nuclear power plants. The expenditures account for about one-third of the STA's nuclear-related budget. Now that a crucial experiment with "Monju" was successfully conducted in April this year, the expenditure for building "Monju" will be diverted to the construction of facilities for research on the reprocessing of spent fuel at the fast breeder reactor.

The budget request in the general account and the special account for the use of plutonium for fiscal year 1995 is estimated at 110 billion yen, a decrease of approximately

200 million yen from the original budget for the fiscal 1994. It is unprecedented for the STA to cut the budget at the stage of compiling it.

A senior STA official says: "Our budget is supposed to be acceptable to the SDPJ, which is negative about the policy of using plutonium." The same senior STA official also reveals that the STA has decided to take a cautious approach to plutonium use by putting off the construction of the second reprocessing plant under a long-term atomic power plan that the STA drew up recently and adds that the STA's cautious stance toward plutonium use is reflected in the budget.

According to the STA, the budget request for atomic power for FY1995 totals 346 billion yen, an increase of 6.8 percent from the original budget for FY1994.

MAFF: 0.1 Percent Increase

OW2908083694 Tokyo KYODO in English 0725 GMT 29 Aug 94

[Text] Tokyo, Aug. 29 KYODO—The farm ministry said Monday [29 August] it will seek general-account appropriations of 3.42 trillion yen under the fiscal 1995 budget, up 0.1 percent from the initial fiscal 1994 budget.

The Ministry of Agriculture, Forestry and Fisheries [MAFF] said the appropriations will be used to promote a package of policy measures to deal with the opening of Japan's rice market in the coming years under the 1993 Uruguay Round accords.

The package will include 35.7 billion yen to strengthen Japanese agriculture by creating high-productivity farming areas and introducing new technologies, ministry officials said.

In addition, the ministry will seek 20.6 billion yen to reactivate remote farming villages, where the population continues to age and decrease.

Of the budgetary request, public works and related spending will account for 1.97 trillion yen, up 6.2 percent, the officials said.

Kansai International Airport Inaugurated 29 Aug

OW2908035094 Tokyo KYODO in English 0306 GMT 29 Aug 94

[Text] Osaka, Aug. 29 KYODO—Kansai International Airport, built on an artificial island in Osaka bay, was inaugurated Monday [29 August], opening a new gate to densely populated western Japan and a potential air hub for Asia.

The ceremony marked the end of seven and a half years of construction overshadowed by terrorist attacks and a costly 18-month delay over technical problems causing overall costs to soar to 1.5 trillion yen.

Crown Prince Naruhito and Crown Princess Masako, on a special flight from Tokyo's Haneda Airport, were the first passengers to land at the airport, which is to open for regular air traffic Sept. 4.

Some 800 guests attended the 30-minute ceremony on the fourth floor of the passenger terminal building, including its Italian architect Renzo Piano.

Trade Minister and acting Prime Minister Ryutaro Hashimoto represented Prime Minister Tomiichi Murayama, who is on an official visit to other Asian countries.

Tsuneharu Hattori, president of the private Kansai International Airport Co. (KIAC), summed up widely held expectations by saying, "I believe that the opening of the airport will without doubt open a new era for the Kansai region."

Following greetings by Transport Minister Shizuka Kamei and a congratulatory address by the crown prince, Hattori showed the royal couple around the airport facilities and invited them for a ride on its unmanned "wing shuttle" train.

Japan's three major airlines were offering commemorative sightseeing flights over the airport, the nation's first to operate round the clock.

Airport authorities were expected to give clearance for regular operations Sunday noon following a final check of machinery and materials.

To guard against terrorist attacks, which numbered 20 in the past, security was tight, with some 10,000 police officers deployed mainly at the airport site.

The 510-hectare island is linked to Osaka by a 4-kilometer-long bridge, a highway, a railway and a rapid ferry service. Although the airport has a single 3,500-meter runway, latest technology allows it to handle daily up to 454 departures and arrivals involving 68,000 passengers and 3,000 tons of cargo.

A total of 339 international and 469 domestic weekly flights were scheduled by the time of the opening, staying below the projected volume.

The airport has been criticized for its record high landing fees and passenger service charges but has drawn praise for its convenient layout, which allows passengers to change quickly from international to connecting domestic flights within the same terminal.

Unlike at Narita Airport, where patrolling security personnel are conspicuous, Osaka prides itself on an invisible "passenger-friendly" surveillance system based on infrared technology.

Some 500 sensors, which are able to detect hazardous objects, have been installed on the airport island and a further 200 along roads and rail links. The 9 billion yen system allows the management to keep security staff at a low 600 officers compared with Narita's 3,600.

Great hopes are being placed on the airport for the "revival" of the Kansai region, Japan's second largest economic center, and its future role as a transport hub for the Asia-Pacific region.

"I feel that the effect of Kansai International Airport, together with the development of the Osaka bay area, will let flourish the region's economic and cultural potential," Tetsuro Kawakami, head of the Kansai Economic Federation, said at the ceremony.

Airport planners are already studying building two additional runways to cope with the projected growth in Asian air traffic.

Business Leaders Evaluate Murayama Government

OW2808191894 Tokyo NIHON KEIZAI SHIMBUN in Japanese 22 Aug 94 Morning Edition p 3

[Text] One and a half months after the inauguration of the Murayama government, the business leaders' appraisal of the government has now come to light. While Katsuhiro Utada, Ajinomoto honorary chairman; Kosaku Inaba, chairman of the Japan Chamber of Commerce and Industry [Nissho] (president of Ishikawajima-Harima Heavy Industries Company); and Kimio Miyaoka, chairman of Nippon Yusen K.K., aggressively support the Murayama government; Yotaro Kobayashi, Fuji Xerox chairman, and Takeshi Nagano, chairman of the Japan Federation of Employers' Association [Nikkeiren] (chairman of Mitsubishi Materials), are critical of the government. While Nikkeiren invited former Prime Minister Hata to a summer seminar held under the auspices of economic organizations, the Tokyo Chamber of Commerce and Industry [TCCI] invited Prime Minister Murayama to the seminar, thereby revealing the differences in support for the Murayama government.

A "meeting-over-breakfast with Prime Minister Murayama" was inaugurated on 29 July and Utada played a key role in inaugurating the meeting. At the time of inaugurating the meeting, Utada expressed high expectations of Prime Minister Murayama, saying: "The prime minister has pledged to push for deregulation and economic and political reforms." The breakfast meeting with the prime minister has been held once a month. Unlike "societies for the support of specific politicians," attendees at the breakfast meeting are not necessarily Prime Minister Murayama supporters. Nippon Yusen K.K. President Jiro Nemoto highly rates the government as a liberal government that defends the Constitution.

At a seminar held under the auspices of the Japan Association of Corporate Executives [Keizai Doyukai] in late July, Sezon Corporation Chairman Seiji Tsutsumi and Miyaoka expressed support for the Murayama government. At the seminar, Tsutsumi said: "The former Hata coalition government was a guerrilla force because it held a minority in the Diet. However, the Murayama government is a regular armed force and I hope that it will change the 1955 system." At the seminar, Miyaoka said: "I hope for a political party like the Social Democratic Party in Germany." Tokyo Bank President Takagaki rated the Murayama government as excellent.

Nissho Chairman Kosaku Inaba invited Prime Minister Murayama to a summer seminar held on 5 August under the auspices of the TCCI. At the seminar, Inaba supported the prime minister, saying: "The Murayama government is pursuing stable and moderate policies and that we need not worry about it." Shinoroku Morohashi, vice president of the TCCI (chairman of Mitsubishi Corporation), expressed high expectations of the Murayama government, saying: "The Murayama government has pledged continuity in Japan's foreign and security policy. It has also pledged to redress the price differentials between Japan and other industrial nations." Many other attendees at the seminar expressed high expectations of the Murayama government because they saw it as more enthusiastic than previous governments in taking measures for medium and small businesses.

Many Keizai Doyukai and Nikkeiren executives are critical of the Murayama government. At a seminar held under the auspices of the Keizai Doyukai, Keizai Doyukai Vice Chairman Yotaro Kobayashi and Orix Corporation President Yoshihiko Miyauchi stressed the hope for a change of government, asserting: "Elections should be held immediately after a bill on the demarcation of single-seat constituencies is enacted in the Diet." Mitsui O.S.K. Lines President Susumu Tenporin severely attacked the Murayama government as a "national trouble." Explaining reasons for their criticism of the Murayama government, Miyauchi said: "The Murayama government does not aim for a small government." Japan IBM Chairman Shiina said: "Deregulation has made no headway under the Murayama government."

Nikkeiren Chairman Takeshi Nagano invited former Prime Minister Hata to a summer seminar held under the auspices of the Nikkeiren 18-19 August. In his lecture, Nagano severely attacked the Murayama government's policies, citing its decisions on producer rice prices and on unfreezing public service fees.

Although the business leaders have made clear their rating of the Murayama government, they have yet to make clear their stances toward financial contributions to political parties. They have concluded that "it is dangerous to tilt toward specific political parties with the future political situation remaining uncertain" (according to a Nikkeiren vice chairman). In that sense, it can be said that it is unimportant to make a distinction between the Murayama government's supporters and opponents.

Hata Criticizes Murayama on Tax Reform, UNSC

OW2908041794 Tokyo KYODO in English 0349 GMT 29 Aug 94

[Text] Tokyo, Aug. 29 KYODO—Former Prime Minister Tsutomu Hata criticized Prime Minister Tomiichi Murayama on Monday [29 August] over his remarks on tax reforms and Japan's efforts to obtain a permanent seat in the UN Security Council [UNSC].

Hata, who heads Shinseito, a key component of the opposition coalition, said in a speech to a Shinseito study meeting in Shizuoka Prefecture, that a proposed consumption tax hike to finance income tax cuts should be included in the same legislation for tax reform.

He criticized Murayama's remarks in Singapore on Sunday that he would not insist on the tax cuts and hike included in a single bill.

Murayama has pledged to continue income tax cuts implemented in the current fiscal year into the next fiscal year and beyond.

The previous ruling coalition under Hata, which excluded Murayama's Social Democratic Party (SDP), had planned to decide on the consumption tax hike to finance the income tax cuts by the year-end.

Hata also blasted Murayama over his cautious stance toward seeking a permanent seat in the UN Security Council.

Murayama's stance is "quite vague...and will make Japan isolated in Asia and the world," Hata said.

"Only shouting 'peace' is not enough," he said.

Murayama voiced concern Sunday about Japan's obligations if it became a permanent Security Council member, saying such a position could force Japan to play roles that are outside the bounds of the Constitution.

Hata also called for an early general election shortly after a bill for redrawing the electoral map for the House of Representatives under the new election system passes the Diet.

The cabinet should seek the people's verdict "without foot-dragging" after a necessary period for making people familiar with the new election system of single-seat constituencies combined with proportional representation, he said.

A government panel recently submitted its recommendations for the new electoral map to Murayama, who pledged to enact the legislation as soon as possible.

Kozo Watanabe Outlines New Political Party

OW2708100694 Tokyo KYODO in English 0948 GMT 27 Aug 94

[Text] Tokyo, Aug. 27 KYODO—Kozo Watanabe, acting head of the opposition Shinseito (Japan Renewal Party), proposed Saturday [27 August] that the planned new political party be steered by a five-member collective leadership in the early stage of formation.

Plans call for formation of a new single party made up of 10 opposition parties and political groups.

Speaking at the party's study meeting in Kannami, Shizuoka Prefecture, Watanabe said the new party should elect its leader by vote if the opposition camp wrests back power within a year.

Watanabe identified the five leaders as former prime ministers Tsutomu Hata, Morihiro Hosokawa and Toshiki Kaifu, Komeito chairman Koshiro Ishida and Takashi Yonezawa, chairman of the Democratic Socialist Party.

He said the collective leadership will steer the party and make decisions on party affairs, including the appointment of key personnel of the party, without the participation of representatives of respective parties, including Shinseito's chief strategist Ichiro Ozawa.

He said the new party will welcome members of ruling coalition parties, including the Social Democratic Party and the Liberal Democratic Party.

The three-day meeting in Shizuoka Prefecture was organized by Shinseito to study the new single-seat election system and other political issues.

Information Disclosure Issue Splits Parties

OW2808194894 Tokyo ASAHI SHIMBUN in Japanese 25 Aug 94 Morning Edition p 2

[Text] The government and the ruling parties are divided over ways to establish the information disclosure system, the task which has been tackled since the former Hosokawa administration. The Hosokawa and the Hata administrations planned to deal with it by establishing an "administrative reform council," whose goals are to monitor the progress of the administrative reform and promote discussions on information disclosure as well.

However, in the Murayama administration, ruling party New Sakigake [Harbinger], which has actively supported the information disclosure system, opposed the idea of discussing this issue at this reform council. In addition, there is a deep-rooted opinion in the Liberal Democratic Party [LDP], the largest ruling party, that information disclosure should be treated carefully. Although Prime Minister Tomiichi Murayama has showed a strong intention to promote it, there are sharp differences among the ruling parties regarding their approaches toward the system's formation. Therefore, it appears that the government has a long way to go before the system materializes.

"It will bring serious consequences if only certain people are allowed to have access to information and the rest have no idea of what is going on in the administration."

By stressing the need for setting the information disclosure system in a TV program broadcast in the end of July, Murayama revealed that the government has been studying the formation of a private prime minister's advisory committee on this issue. Prior to this TV program, he instructed the Social Democratic Party of Japan [SDPJ] to incorporate the "information disclosure law's" enactment into the new party policy platform.

However, after hearing the plan for forming this advisory committee, a senior Management and Cooperation Agency [MCA] official, who is in charge of the information disclosure issue, hurriedly visited the prime minister's official residence.

The government has already submitted a bill for establishing "the administrative reform council," one of its purposes is to discuss the information disclosure system to the Diet. It has also been decided that the deliberations on this bill will be continued in the next House of Representatives session.

The Hosokawa administration submitted this bill to the Diet. Under the Hata administration, Sakigake worked out a revised bill to strengthen the council's power. However, this bill also indicates the need to separate the issue of the information disclosure system from the administrative reform council, saying deliberations on information disclosure should be promoted by another organ.

Because of this Sakigake plan, there is a widespread opinion in the MCA that "the prime minister, thinking to retract the government plan for establishing the administrative reform council, might have proposed the formation of the private advisory committee to indicate his consideration to Sakigake."

When the MCA official visited the prime minister, he asked Murayama to "consider the results of deliberations held so far on this matter." Murayama reportedly indicated understanding of the MCA request and his plan to form the private advisory committee has vanished. But no deliberation has been held on the handling of Sakigake's revised bill, even among the three ruling parties.

Poll: Local SDPJ Members Oppose Policy Change

OW2808120294 Tokyo NHK General Television Network in Japanese 1003 GMT 27 Aug 94

[Announcer-read report; from "NHK News" program]

[Text] The executive of the Social Democratic Party of Japan [SDPJ] recently announced a turnabout of the party's basic policies. The new policies include recognition of the Self-Defense Forces [SDF] as constitutional. In connection with this, NHK conducted a survey of SDPJ local prefectural chapters, and the survey reveals that nearly one-third of prefectural chapters are opposed to the party's plan to change basic policies.

On the grounds that it is impossible to separate the party's policies from the government's policies under the Murayama government, the executive of the SDPJ plans to submit to an extraordinary party convention scheduled for 3 September a proposal to change the basic policies. Major changes of the basic policies are: the party recognizes the current SDF as constitutional, recognizes the rising-sun flag and Kimigayo [His Majesty's Reign] song as the national flag and national anthem, and accept nuclear power generation as a source for obtaining energy in the transitional period.

In connection with this, NHK conducted the survey and obtained answers from local chapters of the SDPJ. According to the survey, 28 prefectural chapters said they support the party executive's plan on the grounds that changing basic policies is inevitable because the prime minister has been chosen from the SDPJ. Meanwhile, 14 prefectural chapters, nearly one-third of the total local chapters, said they are opposed to the plan. Of them, nine chapters said they are strongly opposed to the plan, saying they cannot accept the change of basic policies. Saying it is not necessary to completely mate the coalition government's policies with the party's policies, they said they call for maintaining the party's current basic policies in which the party views the SDF as unconstitutional. Particularly, strong opposition against the change in security, defense, and energy policies is seen in the local chapters in Hiroshima, where an atomic bomb was dropped; in Okinawa, where U.S. military bases are concentrated; and in Aomori, where an antinuclear recycling plant campaign has been carried out.

Moreover, even among the local chapters supporting the plan, many of them are critical about the party executive's decision to recognize Kimigayo as the national anthem. On the change in security and defense policies, many local chapters said the party should make clear its stand of coming to grips with arms reduction.

In this way, there is deep-rooted opposition among local SDPJ organizations to the party's change in policies. It is expected there will be sharp debate at the coming extraordinary meeting, wherein a call for revising the plan is likely to be raised.

SDPJ's Right-Wingers To Form New Policy Group

OW2708063494 Tokyo NIHON KEIZAI SHIMBUN in Japanese 24 Aug 94 Morning Edition p 2

[Excerpt] The right-wing and the middle-of-the-road Diet Members of the Social Democratic Party of Japan [SDPJ]—the party torn asunder in its views of policy since the Murayama government set sail—will get together to inaugurate a new policy group on 31 August. The group, to be called the "New Democratic Reform Study Group" [shin minshu kaikaku kenkyukai] tentatively, will have fomer party Chairman Sadao Yamahana as its head. It will seek to absorb the liberal forces of the SDPJ and the Democratic Socialist Party [DSP] as well as to push for reform of the party—from the position of supporting the Murayama government.

About 30 lower house members of the party are expected to participate in the new policy group. The group wants the SDPJ to strengthen its ties with the DSP whose support base is the Japanese Trade Union Confederation [Rengo] just as the SDPJ's is.

As the left and right wing groups of the party are now fighting over leadership, the inauguration of a new policy group by the right-wing group is likely to greatly impact discussions on such issues as the change of the party's basic policy at the special party convention on 3 September, future political realignment, or the intraparty election cooperation. [passage omitted on preparations for the groups's activation]

Noncommunist Opposition To Create 'Grand' Bloc

OW2408120094 Tokyo KYODO in English 1133 GMT 24 Aug 94

[Text] Tokyo, Aug. 24 KYODO—Opposition parties and groups excluding the Japanese Communist Party agreed Wednesday [24 August] to create a new grand parliamentary bloc before an extraordinary Diet session is convened Sept. 30 as a step toward launching a new party by the year's end.

The accord was reached at a meeting of the heads of 10 opposition groups, mostly from the former ruling coalition, which lost grip on power in June to a surprise coalition among the conservative Liberal Democratic Party (LDP), the leftist Social Democratic Party (SDP) and New Party Sakigake [Harbinger], an LDP splinter group.

The party heads, including former Prime Ministers Tsutomu Hata of Shinseito (Japan Renewal Party) and Morihiro Hosokawa of the Japan New Party, decided to set up a preparatory panel in late September for the planned new party.

The 10 opposition groups have long been toying with the idea of merging into a new Diet bloc to challenge the LDP-SDP-Sakigake coalition.

The primary advocate for the idea has been Ichiro Ozawa, a top strategist for the former ruling coalition and secretary general of Shinseito.

House of Representatives legislators of the 10 groups will join the preparatory panel as individuals, and invitations will also be extended to LDP and SDP lawmakers, officials of the parties said.

Opposition leaders hope to create a party of some 200 members of the currently 511-seat lower house, roughly the same size with the largest party LDP.

A big thrust to launching the new bloc came when the previously cautious Democratic Socialist Party (DSP) lent its support to the scheme.

Wednesday's accord "is a big leap forward from the former agreement among the opposition groups," said DSP General Secretary Kansei Nakano.

The opposition also held on the same day a meeting of a basic policy drafting committee for the new party. The committee plans to fashion basic policy lines by the time the preparatory board is set up.

Whether the envisaged new party will come into being as scheduled, however, is not clear as a heap of problems concerning the party organization and personnel matters will have to be solved, political analysts said.

Trade Union Party's Position Analyzed

OW2808194694 Tokyo YOMIURI SHIMBUN in Japanese 23 Aug 94 Morning Edition p 2

[Text] A blueprint for a Rengo (the Japanese Trade Union Confederation) party, under which centrists and rightists in the Social Democratic Party of Japan [SDPJ] and members of the Democratic Socialist Party [DSP] aim to rally social democratic forces with the backing of trade unions affiliated with the Rengo, "has never gotten off the ground." Rengo fears that if the SDPJ and DSP remain separated as a ruling party and an opposition party, the Rengo's function would be paralyzed. Out of that fear, Rengo has shaped the blueprint in a bid to "keep itself from splitting." However, leading dietmen affiliated with the SDPJ and DSP have been in disarray and Rengo-affiliated trade unions have been in disagreement over how to promote the blueprint, leaving the blueprint's future uncertain.

The inauguration of the Murayama government, formed by the Liberal Democratic Party (LDP], the SDPJ, and Sakigake (Harbinger Party), came as a "totally unanticipated nightmare" to Rengo, which has taken a stance against the LDP (says a senior Rengo official). With the LDP back in power, however, Rengo-affiliated trade unions have split into two groups—one backing the SDPJ and the other supporting opposition parties and the DSP. These trade unions are confronting each other over how to deal with the Murayama government. As a result, Rengo is in a state of splitting.

Under this situation, Rengo held a "meeting of representatives of its local organizations" on 28 July. At the meeting, some representatives asserted: "The LDP-SDPJ coalition government will keep us at bay in the next elections and Rengo should work to end the coalition government," whereas other representatives argued for the need to form a Rengo party. In response, seven trade unions, including the Japan Postal Workers' Union, which campaigned for non- LDP candidates in the lower house elections last summer, have worked on the blueprint.

Shoji Motooka, a House of Councillors member from the SDPJ, and Tatsuo Kawabata, deputy secretary general of the DSP, have discussed the blueprint. The two serve as the representative secretary of the "Council for Forming a Reformist Coalition Government Against the LDP-SDPJ Coalition," which was created shortly before SDPJ Chairman Murayama was elected prime minister. They have expressed strong support for a Rengo party. For this reason, Rengo has aimed to form a party by rallying former council members, SDPJ rightists who voted against the party decision in the previous prime ministerial election, and DSP members.

On 22 August, Former council members, especially Motooka, Kawabata, and Osamu Ikeda, secretary general of the Democratic Reform Rengo, met to discuss the blueprint, heightening the Rengo's expectations for the blueprint.

At the meeting, however, the SDPJ, with the exception of Motooka, said: "Given the present political situation, it would be difficult to abruptly aim for a Rengo party." As a result, the meeting only decided to disband the "Council for Forming a Reformist Coalition Government Against the LDP-SDPJ Coalition" and to form a "three party liaison council" as a new policy study group. The SDPJ side is believed to have backed down from pushing for the blueprint out of fear that such a push would bring a split to the SDPJ or prompt some SDPJ members to break away.

The DSP still vigorously supports the blueprint for a Rengo party. The DSP is said to have backed off from a blueprint for a "new-new party" to be formed by opposition parties with the exception of the Communist Party because of its aggressive support for a "Rengo party."

The differences are surfacing within the Rengo over the handling of the blueprint for a Rengo party. The All-Japan Prefectural and Municipal Workers' Union and the Japan Teachers' Union, both leftist trade unions, have resisted any SDPJ split that could result in leaving SDPJ leftists out in cold. The two leftist trade unions have been negative about the blueprint for a Rengo party. At a meeting with Motooka and Kawabata on 9 August, Rengo Chairman Akira Yamagishi indicated a negative stance on the Rengo's full support for the blueprint. Hence, it seems it is difficult for the blueprint to get off the ground.

MHW Wants To Set Up Pension Fund Operations

OW2808200494 Tokyo ASAHI SHIMBUN in Japanese 25 Aug 94 Morning Edition p 1

[Text] The Ministry of Health and Welfare [MHW] wants to enable domestic and foreign investment consulting companies to act as trustor companies in operating the surplus reserve funds of public pensions, such as the welfare and national pensions, beginning in 1995. At present, only life insurance companies and trust banks are allowed to act as trustor companies to operate reserve funds. The MHW will discuss the matter with the Finance Ministry when they meet to discuss the 1995 departmental budget request. The MHW wants to do this to improve operations of public pension funds, which are suffering from low interest rates. The U.S. Government has also demanded the opening of the public pension fund operations to investment consulting companies. In the financial service sector of the Japan-U.S. economic consultations, the U.S. Government has said that its is a priority requirement. Hence, it can be said that the MHW and the U.S. Government are now in step with each other as far as this matter is concerned. Meanwhile, the Finance Ministry is very resistant to this idea on the grounds that such a measure can jeopardize the "pension funds' stable operation." The matter apparently can turn into a hot issue of debate as it is coupled with the issue of Japan-U.S. relations.

Currently, the public pension surplus reserve funds are deposited with the Finance Ministry Fund Operation Department, and part of the reserve funds is "self-operated" by being lent to the Pension Welfare Service Public Corporation [PWSPC]. The PWSPC then entrusts the funds to life insurance companies and trust banks, including U.S.-affiliated ones, to operate them. The amount of the funds self-operated by the PWSPC was 21.85 trillion yen or about 20 percent of the total reserve funds in 1994.

But with investment conditions being so poor, the interest rates paid to borrow the funds from the Fund Operation Department have exceeded interest rates received from clients since 1991. Given this condition, the MHW wants to raise the lending interest rates by making the funds available to investment consulting companies that are known to be proficient in operating corporate stocks.

Meanwhile, the U.S. Government has asked Japan to enable U.S.-affiliated investment consulting companies to participate in pension funds operation as a way of liberalizing the Japanese financial market. Investment consulting companies are companies that make it their job to run funds entrusted by investors, and, U.S. companies are said to be relatively strong in this area. A ranking U.S. Treasury Department official who visited Japan recently told Finance Ministry officials that his department considers the opening up of the fund operations as the most important point of the financial service negotiations in the new economic consultations. He strongly called for settling the matter before the end of this year.

However, the Finance Ministry is resistant to this call. A ranking Financial Bureau official said: "Investment consulting companies might use the funds in risky ways in buying corporate stocks, for instance, since they are so concerned about making profits. When we consider that the public pension funds are funds paid in by the public mandatorily, such operation of funds is not appropriate." He insisted "the U.S. demand does not make sense," asserting that in the United States, the operations of the public pension funds are allowed only for treasury bonds, which are equivalent to national bonds in Japan.

As far as funds from the welfare pension—a type of industrial pension—are concerned, there has been an instance of some funds collected since April 1990 having been opened to Japanese and foreign investment consulting companies. Some U.S. investment consulting companies have been enabled to operate them.

Furthermore, the MHW wants a new system installed to enable the PWSPC to run the surplus reserve funds directly without going through the Finance Ministry Fund Operation Department, and the MHW will discuss the matter with the Finance Ministry. Since the new system will make it unnecessary for the PWSPC to pay loan interest to the Fund Operation Department, it will become easy for the PWSPC to make profits. The MHW intends to ask for 1 trillion yen in funds to be made available [to the PWSPC] in 1995. But the Finance Ministry is poised to reject this request. The ministry insists: "That would go against the past rule wherein the Fund Operation Department has operated the funds alone."

In addition, at present, the financial service institutions that are entrusted with the operation of the funds are required to do so within limitations set by the Finance Ministry. According to ministry rules [on investment in assets], assets for which there is collateral of original documents like bonds must come to more than 50 percent of the total [invested amount], and corporate stocks and foreign-exchange-based assets must be less than 30 percent of the total. However, the MHW wants these regulations on individual financial institutions to be abolished so that the funds can be used more easily. The MHW will ask the Finance Ministry to enable the PWSPC to adjust the limitations on the individual institutions on the condition that the ratios of the limitations in aggregate as a whole are maintained.

MITI To Promote R&D Projects at Local Level

OW2808195294 Tokyo NIHON KEIZAI SHIMBUN in Japanese 23 Aug 94 Morning Edition p 1

[Text] The Ministry of International Trade and Industry [MITI] decided to support business enterprises and local prefectures where MITI will establish research and development [R&D] districts starting in fiscal year 1995. The main points in the plan are: 1) 10 districts will be established to promote R&D projects throughout Japan and subsidies will be provided to push decentralization of industries; 2) the government, the industrial circles, and universities will conduct joint research in these districts; and 3) a new financial system will be set in the Japan Development Bank [JDB] to provide low-interest loans for companies promoting R&D in local prefectures. The plan's goal is to improve social infrastructure by avoiding industrial hollowing-out in the technological research sector due to the yen's appreciation.

MITI will ask the Finance Ministry to incorporate the necessary budgetary measures in two plans that the Finance Ministry will work out with the FY1995 budget. One is the special budget allocation to place emphasis on public works projects and the other is the fiscal investment and loan program.

These districts will be called "super techno zones [STZ's]." MITI is trying to develop areas equipped with advanced telecommunication systems and test and research facilities. Its project will deal with technological development in large areas but not in only one prefecture.

MITI will work out details of the "STZ" project with cooperation from several local governments. In the zones, research and design facilities will be relocated from other industrial areas. Subsidies for promoting industrial decentralization—whose original goal is to relocate factories from overcrowded industrial areas to local areas—will be given to local governments and companies trying to extend their business in these areas.

Furthermore, the government, the industrial circles, and universities will conduct joint research projects by using STZ institutions. MITI plans to set up a new system to provide government subsidies to these projects in advanced areas like ceramics and biotechnology.

Another "system to support development-oriented companies" will be formed in the JDB to support companies trying to establish their research bases in 52 special areas designated by the Technopolis Law [as published] and the Intelligence Location Law [zuno ritch ho] throughout Japan. These two laws aim to promote decentralization of industry and development of sophisticated technology. The JDB will provide low-interest loans to companies trying to set up their research facilities in these areas.

Because of the prolonged recession, private sectors have been cutting their R&D investment. Since the yen's appreciation has become a fixed trend, many companies may begin to consider transferring not only their production departments but also design and research departments to Asia and other regions. To put a brake on industrial hollowing-out, MITI judged it was necessary to improve research institutes in local areas.

Human Intelligence-Gathering Efforts Described

OW2908023694 Tokyo MAINICHI SHIMBUN in Japanese 21 Aug 94 Morning Edition p 22

[Seventh in the series "Rabbits' Ears and Doves' Dreams"; this installment entitled "Weakest Human Intelligence"]

[Text] In the realm of national security intelligence collection methods, there is electronic intelligence (Elint) utilizing radar and so on, communications intelligence (Comint) through the monitoring of radio transmissions and so on, and human intelligence (Humint) obtained through people. It is human intelligence which is the weakest link for Japan, which aims to become a country with rabbit-like long ears. (Attributed titles are the ones held at that time)

There have, however, been situations where they obtained intelligence in a prompt manner.

Mid-day of 14 January 1991 (Eastern Standard Time), just before the outbreak of the Gulf war: The time limit set by the UN Security Council before it would sanction the use of military force against Iraq was to run out in roughly 30 hours. Major General Hisao Sakamaki (age 50), Japanese Embassy Defense Attache, visited the U.S. Department of Defense [Pentagon] in Washington D.C.

Inside the Department, it was quiet as usual. He ran into an acquaintance who worked in the Joint Staff Headquarters. At once, he asked "Are you busy?" The acquaintance answered, "it looks like I am going to be very busy in two days." It was an innocent exchange of passing remarks in English. But Major General Sakamaki intuitively felt, "there is no doubt. The multinational forces will probably begin hostilities immediately after the time limit runs out." This was a sense of certainty which derived from a long- cultivated relationship of trust.

The Defense Attache: They are seconded to the Ministry of Foreign Affairs [MOFA] and charged with collecting and analyzing military intelligence. Currently, they are dispatched to 31 embassies and to the Japanese Government Representative's Office for the UN Disarmament Talks.

The intelligence obtained by Washington's Major General Sakamaki and additional information sent by other Japanese embassies reached the Military Intelligence Center's "Second Operations Room," which had been temporarily set up in the MOFA.

Bin Morimoto (age 53), who was in charge, pieced this intelligence together, concluded that "war will break out within 24 hours," and reported this to his supervisor during the morning of 16 January. The basis for his final judgment was intelligence which came from a "Defense Attache" who had been temporarily dispatched to Riyadh, Saudi Arabia. He reported that "the multi-national forces are adjusting the sights on their weapons." The multi-national forces began bombing at 8:00 AM on 17 January, Japan Standard Time. The forecast was right on the mark. Morimoto, who today is chief of the research staff at the Nomura Research Institute reminisces. "Before [any armed forces] initiate any military action, they must always sight in their weapons. Only a specialist would know and notice such a point." Morimoto had served in the Air Self Defense Force.

After the war began, Major General Sakamaki was in Washington working to gather intelligence on the future course of the war. But his acquaintance, who had hinted at the outbreak of the war to him, coldly said "General, why do you want to know? Does Japan want to do something?" At that time, the United States was critical of Japan, saying that it "only gives money." On the other hand, Morimoto utilized a map of Iraq petroleum pipelines, which he had obtained from a Japanese trading company, in exchange for intelligence from Great Britain. Intelligence gathering is also an exercise of give and take.

Before dawn on 3 June 1989, Beijing. Colonel Naoki Kasahara, Defense Attache at the Japanese Embassy, noticed that Liberation Army units were marching on Changan Avenue, which ran in front of the diplomatic residential apartments. It was the day before the suppression of demands for democratization which sparked the Tiananmen incident. He rushed out of his house in a T-shirt. Colonel Kasahara had been at post for only 10 days. He had not even received a diplomatic identity card yet. If it became necessary, he was prepared to use a fake ID card: He would remove his predecessor's photo and replace it with his own.

Two days later, the inclination of the [Chinese] military forces was drawing world attention. The question was whether or not clashes would occur among units of the Liberation Army. On an overpass above a cross road near the Japanese Embassy, 22 tanks had lined up and rumors of inevitable clashes were running through Beijing based on the notion that "this may be a deployment to prevent the advancement of anti-martial law troops." Colonel Kasahara investigated the situation in close proximity. He concluded, from the fact that it was close to an urban area and that the troops were not numerous, that "it was not a battle deployment, but instead was for demonstration effect and as a precaution." He sent a cable to Japan that there was no likelihood of clashes.

What gave him the most trouble while at post was the shortage of personnel. "There was one Japanese defense attache in Beijing. This was the smallest number among the developed countries. The United States had eight, including assistants, and Thailand and Pakistan also had three people each. The increase of one additional defense attache in the Japanese Embassy in Beijing for next year has been approved.

Intelligence gathering on national security and public peace is conducted by defense attaches and diplomats, but the problems of "ministry and agency walls," structure, and personnel are pointed out.

Former Administrative Vice Defense Minister Seiki Nishihiro, who had been a participant in the Defense Issues Round Table Conference, says with a sigh, "There is no professional category for intelligence. Unless we provide professional status, intelligence professionals will not appear. There are only people who want the intelligence, and no one would go out to gather the intelligence. The Japanese intelligence sector is conspicuously behind in the world."

Japan has a dark history in which the former military organizations charged with foreign intelligence gathering and analysis turned to plotting activities. That image lingers today, and many still feel strong apprehension. On the other hand, internationalization has intensified the necessity of obtaining intelligence. For crisis management purposes, to what extent should we emphasize human intelligence, and what methods do we want to utilize for gathering it? Japan, which aims at being a country of "doves," will undergo all sorts of tests from now on.

NTT, Construction Ministry Plan Fiber Project

942A0614A Tokyo NIHON KEIZAI SHIMBUN in Japanese 22 Aug 94 p 3

[Text] The Ministry of Construction [MOC] and firms such as Nippon Telegraph and Telephone (NTT) will embark on a project to install an optical-fiber network in the Marunouchi district of Tokyo which typifies Japanese office zones. The MOC will construct underground joint telecommunications utility conduits under the streets, and private-sector firms such as NTT will lay the cables. About one kilometer along Hibiya Avenue has been selected for the site of a model project and construction of a joint telecommunications utility conduit will begin in September with a completion target date of March 1995 for laying the cables. The MOC plans to build about 400,000 kilometers of telecommunications utility conduits throughout the country by the 21st century and the one-kilometer stretch will represent the very first stage of that project.

In August, the MOC will establish the "Marunouchi District Information Infrastructure Implementation Council (interim title)" to coordinate opinions of concerned parties in building the information network. Membership in the council is expected to include NTT, Tokyo Tsushin Network (TTNet), and the Cable Television (CATV) Federation.

The one-kilometer model project will be built in the sidewalk portion of Hibiya Avenue, which is designated a national highway. The specific location of the project will be the one-kilometer section of Hibiya Avenue starting at Otemon and ending at the Hibiya Park intersection. The government of Tokyo and Chiyoda ward will be asked to participate in the project. The views of Mitsubishi Estate Company, which owns numerous office buildings in Marunouchi, will be reflected in the project.

Marunouchi already has large-scale joint telecommunications conduits which link communications bases like telephone exchanges of other cities. However, optical-fiber cables cannot be directly connected to such existing joint conduits, providing for an inadequate information network for offices in that district.

The MOC visualizes the laying of underground joint telecommunications utility conduits which branch out and are smaller than joint utility conduits of the past to link the numerous offices in the Marunouchi district. If the system is installed as visualized, it will become possible to operate a security system for all buildings in the Marunouchi district from a single location.

NTT Developing New Storage Battery

942A0603A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 16 Aug 94 p 3

[Article by Masato Takeuchi]

[Text] Effective use of heat emission and storage of electric power are becoming important development themes for realization of an energy-saving society.

The use of exhaust heat is linked to rapid improvement in energy efficiency such as cogeneration (combined heat and electricity supply) systems. Many heat sources are discarded in the nearby environment. With electric power storage, excess electric power can be saved and used when necessary and the slack and peak periods of power plants according to season and day or night can be leveled out.

The battery that NTT has trial manufactured can be said to have a great social effect if the difficult points such as low efficiency can be surmounted by unique technology said to be promising in both aspects of heat emission and electric power storage.

The occasion for NTT's research was the problem of heat emission coming from vast communications equipment which also can be called a mass of computers. Insofar as it is necessary to cool them by air conditioning even in winter, these air conditioning systems account for about 20 percent of the electrical energy used by NTT during the year.

An emergency backup power source is indispensable for communications equipment, but the idea is that an emergency power source can be created if the heat emitted by the energy that is being used in the air conditioners is collected and fed to a new type of battery.

The scope of application is very broad and not just for a communications facility emergency power source if a system to feed the heat to a battery is devised.

Storage of electricity could be done by heat emitted from fuel cells and chemical plants, and charging could be done by temperature gradient using hot coils.

At present, however, efficiency is low compared to thermoelectric converter elements, and it will be difficult to make it serviceable immediately. Performance will rise if there is a large temperature gradient in the battery, but there are limits because the ion solution evaporates. Moreover, when the density of the ions is raised, they are precipitated.

As points for improvement, in addition to searching for other kinds of ions with electric generation capability, such as ferrocyanide compound ions, a method has been considered of making ions difficult to precipitate by mixing in an additive.

If ions can be used in the form of a melted salt and not dissolved in a solution, it seems that it will be possible to increase performance by collection of heat from a high temperature heat source.

NTT views that this battery has capability on par with lead batteries and, for the time being, it will proceed with improvement in electrolyte materials and undertake experiments in raising efficiency.

Acetic Acid Producers Raising Export Prices

942A0601A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 19 Aug 94 p 24

[Text] Showa Denko has decided to boost by $150 (about 30 percent) compared to the previous term the export price to Asia of the basic petrochemical ascetic acid for October to December shipments, putting it on the level of $600 a ton (including freight rates and insurance fees), and offers have been made to the various petrochemical companies of Taiwan such as China Petroleum and ICI. Demand for ascetic acid as a raw material for synthetic fabric is very high, and the company has boosted the export price intermittently since May, but recently there have been plant breakdowns at home and abroad one after the other and, since international supply and demand are tight, it has decided to venture a large price rise. The view of higher future quotations on domestic price which is decided based on the price for Taiwan has come to the fore.

The company initially had thought about offering it at $500 a ton, but due to a succession of accidents at ascetic acid plants in Taiwan and Japan in July and August and the rapidly intensifying sense of a shortage of goods, it has decided to seek an increase margin of an additional $100.

The price of ascetic acid for large domestic users such as Mitsubishi Kasei is decided by the superimposition of numerous expenses, with the price for Taiwan as the base. The company already raised the price for large domestic users by 8-9 yen (20 percent) per kiloliter in the July-September quarter, but it plans to boost prices further by about 15 yen (30 percent) starting in October.

Backed by a 25-percent reduction in shipments by Hoechst Celanese, the world's largest maker of ascetic acid, starting in March due to a plant accident, international prices have strengthened the rising trend. Moreover, domestic acetic acid demand is on the level of 500,000 tons a year, and the two companies of Kyodo Sakusan (Chiyoda, Tokyo) and Showa Denko have an oligopoly for manufacturers, but Kyodo Sakusan shut down a series of plants from July to August due to trouble. Because of this, the view is dominant that "users both at home and abroad will have to accept a price increase." The demand for ascetic acid as a secondary raw material for polyester products particularly in Asia is flourishing. There are plans for a succession of new and expanded plant facilities in South Korea for terephtalic acid which is produced using ascetic acid. The outlook is that new demand for 50,000 tons, equal to about 10 percent of domestic production capability, will be generated in the first half of 1995. It is said that "currently, new inquiries on the level of 10,000 tons are coming from South Korean users" (Showa Denko).

Toyota Markets Car With New 'Three-Way Catalyst'

OW2908055394 Tokyo KYODO in English 0515 GMT 29 Aug 94

[Text] Tokyo, Aug. 29 KYODO—Japan's leading automaker Toyota Motor Corp. said Monday [29 August] it has marketed a new passenger car model equipped with a 1.8-liter lean burn engine that incorporates an innovative nitric oxide (NOX) occlusion and reduction type three-way catalyst.

The company said the clean-air technology, installed in the new Carina sedan which was placed on the domestic market Monday, also enables the engine to achieve greater fuel economy.

The company said the new three-way catalyst can occlude hard-to-clean NOX emissions when the car's lean-burn system is activated.

Reduction is employed when the air-fuel ratio reaches stoichiometric, or rich-mixture, levels, the company said.

It said a new electronic control system constantly monitors the amount of NOX being occluded and controls the air-fuel ratio, to reduce NOX emissions under all driving conditions.

The company said the monthly sales target for the system has been set at 6,000 units.

Ministries Wrangle Over Telecom Infrastructure

942A0613A Tokyo NIHON KEIZAI SHIMBUN in Japanese 25 Aug 94 p 5

[Text] Wrangling has intensified among relevant ministries and agencies about the construction of an infrastructure for an optical-fiber telecommunications network visualizing an advanced information society. The Murayama administration has established the "Advanced Information-Telecommunications Society Promotion Headquarters" with a view to making the program a major objective of the government, and the respective ministries such as the Ministry of Posts and Telecommunications [MPT], Ministry of International Trade and Industry [MITI], and Ministry of Construction [MOC] intend to seek necessary funding in the fiscal 1995 budget request. The government has displayed a high degree of enthusiasm for the program despite pending questions on who will operate the optical-fiber network which will represent the core of the program and on the potential profitability of the system, leading to expressions of skepticism among private-sector firms and potential systems users such as, "there's the risk that we may be thinking of building another Great Wall of China which lacks any practical value."

MITI sources reveal, "The program was about to be aborted because of MPT interference." MITI had embarked on a joint project with the Ministry of Health and Welfare [MFW] to develop an interhospital information-telecommunications system to be completed in fiscal 1996. The concept called for linking hospitals with an integrated digital communications network, transmitting individual diagnostic data, and enabling physicians to perform diagnoses at a remote location. However, MITI sources add, "The MPT approached the MFW after MITI had already initiated its program."

Budget requests were finalized so that MITI's initial plan was preserved. However, on the other hand, MPT officials are dissatisfied, saying, "Although the MPT was first to approach the MFW on the concept, MITI was granted approval to proceed with its version of the program."

The confrontation between the MPT and MITI which has persisted for 20 years in the area of information-telecommunications has resurfaced at this point. A concept has surfaced, in connection with the establishment of the promotion headquarters at the cabinet level, to provide computerized public-sector information services in connection with the submission of documentary applications to government offices and the operation of hospitals and electronic libraries. MITI and the MPT are engaged in a struggle to win over other ministries and agencies, such as the MFW, Ministry of Education, and the Management and Coordination Agency, which are directly responsible for providing government services inherent in their functions.

Moves to establish strategic alliances among central bureaucracies have been initiated even in connection with the construction of the optical-fiber network for processing high volumes of information. On 16 July, the MOC announced a plan to build "telecommunications conduits" below all national and prefectural highways by the first part of the 21st century. Project cost will total about 40 trillion yen and MITI will submit a draft of a new law during the next regular session of the Diet to provide for the programmed implementation of the telecommunications conduit project. On 18 July, MPT Telecommunication Bureau Director Mitsuo Igarashi held a press conference and expressed indirect support for the MOC plan, saying, "We were given advance information on the MOC plan," giving the appearance of engaging in an effort to divert any move by MITI.

However, despite such efforts to gain the initiative, persistent skepticism is being voiced about the optical-fiber construction project as well as the potential profitability of such a system.

MPT officials visited Diet members of the Liberal Democratic Party Telecommunications Committee in the first part of August to repeatedly explain the "10 trillion yen concept" by saying, "We can build an optical-fiber network at a cost of 10 trillion yen."

A report compiled by the MPT advisory organ known as the Telecommunications Projects Council at the end of May estimated the cost of building an optical-fiber network by the year 2010 will cost 33-53 trillion yen. The figure of 10 trillion yen quoted by MPT officials covers the interim stage through 2005 and is considerably lower than initial estimates. One executive of a leading telecommunications equipment maker provides the analysis that "the report contains inflated estimates because they are based on current cost figures and do not consider reduced costs which will be attainable because of lower future production costs on equipment such as switching systems."

Responsibility for construction costs have not been resolved. MOC's telecommunications conduit concept would call for central and prefectural governments to assume all costs. Even under the concept of private-sector assumption of costs of construction projects, the MPT visualizes a request for funding and government assistance to provide interest-free loans to cable television (CATV) and telecommunications companies for the purpose of building optical-fiber systems. Nippon Telegraph and Telephone (NTT) is considering a plan to build such a system on its own with costs defrayed through ordinary telephone fee revenues.

In response to such ideas, Mitsubishi Research Center Consultant Noboru Makino points out, "We question the approach calling for an indirect cost burden by users who have no use for an optical-fiber network." Standing committee member Masayo Kato of the Housewives Alliance represents consumers by saying, "It is illogical to uniformly charge everyone, including the socially disadvantaged such as senior citizens who may not make use of such a system."

The information-telecommunications industry is expected to grow to 123 trillion yen by the year 2010. It will be one of the few remaining industrial sectors that promises to become the engine of future Japanese economic activities in the face of slow growth in existing basic industries such as automotive and steel. That being the case, any intensification of struggles for initiative among concerned ministries may result in neglect of the requirements of the consumer.

Synthetic Rubber Industry Said in Crisis

942A0600A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 19 Aug 94 p 13

[By Ryoichi Hatta]

[Text] The synthetic rubber industry, which is a typical petrochemical product, is facing the moment of life or death. In addition to the production slump in the tire industry which is a big user, rubber imports have increased rapidly since the end of last year and in the case of general products, the facilities operating rate of the various companies has fallen to about 60 percent. Reorganization is proceeding steadily in the synthetic resin industry which was visited by a slump one or two years earlier, but a reorganization blueprint has not yet been drawn up by the rubber industry.

"There is no end to it." ...Synthetic rubber from abroad is surging into the Japanese market like angry waves. According to Ministry of Finance [MOF] trade statistics, the amount of imports for the first half of this year (January to June) was 61,000 tons, an increase of 50 percent compared to the same months of the previous year. Isolating just the SBR (styrene butadiene rubber) which is a general product accounting for 60 to 70 percent of synthetic rubber demand, it amounted to 37,000 tons, 2.2 times the amount for the same months of the previous year.

The view is strong in the industry that "imports for the whole year will amount to 70,000 to 80,000 tons" (Director Hidetoshi Furuya, Nippon Zeon), and will actually account for 25 percent of domestic demand. Since the import ratio even for general synthetic resins such as polypropylene, polyethylene, and polystyrene where import increases have received great attention is no more than in the single digits, how large the import of rubber will be is understood.

It was the change in the materials procurement strategy of tire makers that became the trigger for the rapid increase in imports. The heads of Bridgestone, Yokohama Rubber, and Sumitomo Rubber Industries without exception have declared in public a boost in the import ratio of raw materials. They are increasing the use of low-priced rubber made by the United States. The various rubber companies are making light of it, saying "they cannot make an abrupt switch in materials," but inherently the U.S. rubber companies are also tire makers and have been absorbed by Japanese tire plants without difficulty.

The facilities operating rate of six general rubber (SBR and butadiene rubber) manufacturers such as Japan Synthetic Rubber (JSR), Nippon Zeon, and Asahi Chemical Industry has dropped greatly and each of them has produced a big deficit in general products. There is the view that, "since tire exports are favorable, it will improve in the next one or two months" (Hiroyuki Onishi, manager, Synthetic Rubber Division, Asahi Chemical Industry), but since there will only be small growth in domestic tire demand, even viewed over the long-term, it is difficult to believe that the difficult situation of rubber companies will improve with time.

"The real feeling of the specialized manufacturers, JSR and Zeon, is probably that they would like to have manufacturers with side lines such as us withdraw from the business." Tetsuzo Sato, vice manager, Carbon Division, Mitsubishi Kasei smiles wryly. However, "three conditions" stand in the way of industry reorganization.

Relationship with specific users: First, there is the possibility of turning over business. It is probably natural to think that the two specialized companies, JSR and Zeon, would have difficulty in withdrawing and the four companies with side lines would hand it over to these two companies. With the exception of Sumitomo Chemical, three companies with side lines as a rule only have "equal supply" to the seven tire manufacturers and do not have close relationships with specific tire manufacturers like JSR-Bridgestone or Zeon-Yokohama Rubber. Put the other way around, these two companies rarely supply the other tire makers. For example, even if JSR took over the Rubber Division of Mitsubishi Kasei, they could not make full use of the commercial rights which Mitsubishi Kasei has and there would be little profit.

Logic of complexes: BB fractionation, a by-product when refining ethylene, is considered the basic raw material for synthetic rubber. For the three side line companies that handle ethylene, the synthetic rubber industry has strong implications as an important consumer of BB fractionation. Insofar as they would be unable to ensure the disposal of BB fractionation by withdrawing from the business, they cannot readily cut off the rubber business as a center company.

Different manufacturing methods and products: What about the possibility of product accommodation or product consignment? The manufacturing method called emulsified polymerization is used by both JSR and Zeon, and the product groups also resemble each other, but it would probably be impossible to conclude a tieup relationship because of problems under the antimonopoly law. Only Sumitomo Chemical has the same manufacturing method and products as these two companies; Asahi Chemical employs solution polymerization and Ube Industries handles only butadiene rubber in solution polymerization. Mitsubishi Kasei sells the semi-manufactured product "Master Batch." From this point, it would be difficult to give birth to a couple with close compatibility. Manager Onishi of Asahi Chemical says with his head buried in his arms, "We have discussed reorganization hundreds and thousands of times, including handing over business rights, but no solution has come." The environment surrounding the Japanese rubber industry will only worsen next year when Hyundai Petrochemical puts its synthetic rubber plant with annual production of 82,000 tons in operation in South Korea. It is said that "rubber demand for the whole Asian market will increase in the long term" (Vice Manager Sato, Mitsubishi Kasei), but can they hold out until then? No prescription to avoid crisis has yet been found.

Environmental Agency Defines Recycling Targets

942A0604A Tokyo NIHON KEIZAI SHIMBUN in Japanese 19 Aug 94 p 2

[Text] Starting next fiscal year, the Environment Agency [EA] will begin research on calculating the recycling rate that should be achieved in the next 10 years as a goal for each import resource and product. The agency has established a study group of experts who will analyze the current status of recycling and the environment preservation effect that can be expected by recycling and compute the goals that should be achieved. With the aim of spurring a move to reform a large-scale consume-and-discard society into a recycling society, it will use the research in the future as basic data for numerical targets for environment preservation incorporated in the nation's basic environment plan.

The agency has established an expert study group comprised of men of learning and experience and people concerned with industry who will research the current amount of production, consumption, and discard for each major substance, the recycling rate, and status of the production of substances harmful to the environment such as carbon dioxide (CO_2) and nitrogen oxide (NO) that are created in various processes such as production, distribution, and discards after harvesting of resources.

In addition, the group will prepare numerical models and proceed with test calculations of the target recycling rates that should be set upon consideration of 1) estimates of the amount of substances harmful to the environment discharged if large-scale consumption and discards continue, and 2) use of new technology indispensable for reuse, the number of recycling facilities necessary to achieve that, and the effect on environment preservation that can be expected when the targets are achieved.

Although recycling rates have been established so far for some resources that are recyclable such as wastepaper, aluminum cans, and steel, sufficient consideration has not been given to the bad effects on the environment. The EA will clarify the degree of environment destruction for each resource, product, and industry, and would like to tie it to promotion of recycling by indicating the recycling rate that should be achieved, and the environment preservation effect that can be obtained along with it.

North Korea

Japan, ROK 'Decrying' North-U.S. Statement

SK2808083994 Pyongyang KCNA in English 0825 GMT 28 Aug 94

["Attempt To Obstruct Implementation of DPRK-U.S. Agreed Statement"—KCNA headline]

[Text] Pyongyang, August 28 (KCNA)—Only Japan and the South Korean authorities are foolishly trying to underestimate the significance of the DPRK-U.S. agreed statement and obstruct its implementation. Commenting on this, NODONG SINMUN today in a commentary titled "Don't Be Silly" says that since they are not partners of the talks and have nothing to do with the recent agreed statement, they would be well advised to keep silence and watch how things develop.

The analyst says:

It is the DPRK and the United States that should implement the agreed statement. So, to kick up a fuss over it, decrying it, is an attempt to pull down by mischievous tricks the tower built by others with much efforts. Japan and the South Korean authorities are trying to block the implementation of the DPRK-U.S. agreed statement with outcries for "preferential solution of the past question" and "special inspections". This is motivated by a scheme to lay an artificial obstacle in the way of its implementation and thus bar the solution of the nuclear issue on the Korean peninsula and hasten their own nuclear arming under this pretext.

Only the engine driver can stop the locomotive which has started moving. Those who put their shoulders under the wheels of the running locomotive to stop it will meet a miserable doom. To try to obstruct the implementation of the agreed statement is as good as inviting calamity.

Foreign Party Leaders on North-U.S. Statement

SK2608101694 Pyongyang KCNA in English 1006 GMT 26 Aug 94

[Spelling of all names as received]

[Text] Pyongyang, August 26 (KCNA)—Tridib Chouduri, general secretary of the Revolutionary Socialist Party of India, in a statement on August 17 said that the Korean people owe their victory in the DPRK-U.S. talks held in Geneva to the great leader Comrade Kim Chong-il with matchless grit and will, extraordinary intelligence and outstanding leadership ability.

He said he was rejoiced over the fact that the talks opened a prospect for resolving the nuclear issue on the Korean peninsula and improving the relations between the DPRK and the United States so as to contribute to ensuring peace and security on the Korean peninsula.

Urging the United States to make a fundamental switch-over in its Korea policy in conformity with the demand of the era and do things helpful to the reunification of Korea, he demanded that the United States approach the DPRK-U.S. talks slated for September with a sincere attitude.

Bishnu Bahadur Manandar, general secretary of the Nepal Communist Party (United), when he met the DPRK ambassador, stressed that the adoption of the DPRK-U.S. agreed statement is a great victory of the Korean people who proposed to solve the nuclear issue through negotiations with the United States and continued the struggle to this end.

Philippe Ouedraogo, general secretary of the African Party of Independence of Burkina Faso, expressed the hope that the DPRK-U.S. talks will be conducive to creating an atmosphere favourable to the peace and reunification of the Korean peninsula, when he received the DPRK ambassador.

Reactor Issue Used for 'Political Purpose'

SK2708155294 Pyongyang KCNA in English 1530 GMT 27 Aug 94

["Thoughtless Folly"—KCNA headline]

[Text] Pyongyang, August 27 (KCNA)—Now all the world is hailing the publication of the DPRK-U.S. agreed statement, and sincerely hopes its implementation.

But only the South Korean authorities, hating it inwardly, are trying by hook or by crook to obstruct its implementation.

The South Korean authorities are now distorting the fact as if the "support" to the North "with the South Korean-style light water reactor" [LWR] was settled at the third round of DPRK-U.S. talks and, absurdly enough, are kicking up a dust over the LWR issue.

Even Kim Yong-sam, in his "celebration speech on the August 15 liberation day," trumpeted about "support in the LWR project" as if South Korea had been entrusted with a full power over it.

It is foolish of the South Korean authorities to blare that they would "offer" the LWR only when the North accepted "special inspections."

It is ridiculous enough for the South Korean authorities to call for "special inspections" that infringe upon the sovereignty of the DPRK and obtrusive of them to twaddle about the LWR issue.

The issue of the provision of the LWR is, to all intents and purposes, a matter that must be settled between the DPRK and the United States, which does not allow the South Korean authorities to obtrusively interfere.

It is a fact that a deep-going discussion took place on the question of the LWR at the third round of talks between the DPRK and the United States as a fundamental solution to the nuclear issue. But no heed was paid to the South Korean LWR at all.

Then why did the South Korean authorities, as soon as the DPRK-U.S. agreed statement was issued, startle and begin to raise a fuss over the LWR issue like a deer frightened by a gun report?

They seek a sinister political purpose of using the LWR issue as an expedient for meddling in the DPRK-U.S. talks and laying artificial obstacles to the settlement of the nuclear issue and the improvement of the DPRK-USA relations so as to drive a wedge between the DPRK and the USA, refurbish their poor image and get the upper hand in North-South confrontation.

If the South Korean authorities had had a shred of reason, they would not have dared to talk about the offer of the LWR and the like in their present position.

Without the elementary sense of obligation, ethics and morality, they brandished the bayonet only yesterday at the fellow countrymen in the North in a painful misfortune and now they have the cheek to offer the LWR. This is an intolerable insult to the Korean people.

Still more ridiculous is the behaviour of the South Korean authorities who, lost to shame, offer to the North a foreign-made LWR under the cover of South Korean type.

They had better keep silence in their poor lot, mindful that their imprudent behavior would only invite ridicule at home and abroad.

They must be mindful that if they continue putting a spoke in the wheel of the DPRK-USA talks over the LWR issue and making the settlement of the nuclear issue complicated, they will face a deserved judgement.

U.S.-ROK 'Ulchi-Focus' Exercise Denounced

SK2708130694 Pyongyang Korean Central Broadcasting Network in Korean 0754 GMT 27 Aug 94

[Unattributed talk: "Frantic War Commotions Which Strain Situation"]

[Text] The U.S. imperialists and the South Korean puppets are waging an adventuresome Ulchi-Focus Lens 94 joint war exercise aimed at launching a preemptive attack [sonje konggyok] against the northern half of the Republic.

Mobilized in this criminal war are a vast number of several hundreds of thousands of troops from the general commands [chonghap saryongbudul] of the U.S. Army, Naval, and Air Force, as well as the Headquarters of the U.S. Joint Chiefs of Staff; such as an armored tank division, a mechanized infantry division, an aerial attack division, and an airborne troopers division [names of divisions as heard] which are deployed in the continental United States and the Pacific region, and the U.S. Pacific Naval and Air Force Commands; the U.S. troops of aggression in South Korea; and the puppet armed forces' Army, Naval, and Air Force divisions.

Also deployed into this on a large scale are the 7th U.S. Fleet; a group of various combat vessels, including the USS Blue Ridge, a command ship for landing troops; various flying groups; missile units; and lethal weapons such as artilleries, tanks, and armored personnel carriers.

With this exercise, the United States has decided to hand over the command rights over the 7th U.S. Fleet to the U.S.-South Korea's Combined Forces Command in the event of an emergency on the Korean peninsula.

This fully proves that this war exercise is a comprehensive and three-dimensional large-scale (?war) exercise which is being waged, thoroughly [choldu cholmi] regarding us as the target for an attack, and that this exercise is an aggressive and provocative war exercise like the Team Spirit joint military exercise, a preliminary war for a nuclear test [haeksihom yebi chonjaeng].

As the whole world knows, an agreed statement between us and the United States has been issued, and an atmosphere of peace and reduced tension has been created.

An aggressive military exercise is being waged at a time when the world is welcoming this. This clearly is greatly running contrary to the spirit of the agreement between Korea and the United States. This is a (?conscious) and adventuresome, hostile act of not wishing a peaceful solution to the nuclear issue, and an undisguised military commotion of confrontation which totally negates [pujonghanun] the North-South dialogue.

As has been exposed, already at the beginning of this year, the South Korean war-loving elements babbled that in case the Team Spirit joint military exercise should be suspended this year, they would wage, with the United States, a large-scale military exercise—combining the Ulchi and Focus Lens military exercises—in August, thereby undisguisedly exposing their inner thought of trying to harm the compatriots by joining hands with outside forces.

The Kim Yong-sam fascist clique of South Korea is creating a sense of antagonism within the nation while continuing to kick up commotions against communism and for confrontation. The clique is also endlessly waging war exercises for a northward invasion behind various kinds of facades. This is a fact known to all.

Clamoring about the suspicion over the non-existent nuclear development of the North, the Kim Yong-sam ring has committed despicable acts aimed at (?realizing) confrontation against the compatriots. This shows how desperately the ring is scheming to harm the compatriots.

The Kim Yong-sam puppet clique did not even show any manners by expressing condolences over the biggest inauspicious event, which the compatriots were faced with. The clique, furthermore, has aggravated relations between the North and South by pointing a gun barrel at the compatriots, who were in grief; and has even committed an anti-national criminal act of having brought the situation, which was running in the direction of reduced tension and reunification, back into that of confrontation.

Today, when an agreed statement has been issued after the third round of the Korea-U.S. talks were successfully held, the Kim Yong- sam ring is waging a war exercise with the United States. This is aimed at straining the situation to an extreme, blocking the road to a peaceful solution to the nuclear issue, and threatening, with guns, and suppressing the people who are resisting the civilian fascist regime.

In particular, in a decision to deploy the forces of the 7th U.S. Fleet under the U.S.-South Korea's Combined Forces Command in an emergency, the U.S. military have had even these forces join in this military exercise. This fully exposes their inner thought of putting into effect a military operation against us by all means [kioi] by reinforcing the aggressive Armed Forces in South Korea (?systematically).

The United States should stop all kinds of hostile acts, such as a provocative military exercise which strains the situation on the Korean peninsula and incites confrontation between the North and South, and should do acts conducive to guaranteeing peace and stability on the Korean peninsula.

It is a miscalculation if the South Korean authorities should try to find a way out of ruin by traversing the road to bringing in outside forces and opposing the compatriots by joining hands with the outside forces. On the contrary, it will expedite their ruin.

Our people sincerely wish peace, but never beg [kugol] for it.

Our people and the People's Army are keenly watching [yerihage chusihago itssomnida] the military movements of the United States and the South Korean authorities.

The U.S. imperialists and the South Korean puppets should give deep thought to the serious consequences [omjunghan hukwa] which their war maneuverings will cause, and should immediately stop [chungji] the reckless war exercise.

Kim Yong-sam's Remarks Rejected

SK2708043194 Pyongyang KCNA in English 0420 GMT 27 Aug 94

["War Hysteria Precipitating Self-Destruction"—KCNA headline]

[Text] Pyongyang, August 27 (KCNA)—The traitor Kim Yong-sam showed up at "the combined review room of the government" for "the Ulchi Focus Lens" joint war exercise on August 25 and let loose war outcries getting on the nerve of the North, driveling that "the exercise is timely" and "it is significant", according to a radio report from Seoul.

The outburst of the traitor was intended to incite North-South confrontation and lead the situation of the Korean peninsula back to tensions. It was an unpardonable criminal act.

The puppet is making quite a noise after starting the aggressive and provocative war game which is like the "Team Spirit" joint war rehearsal, a combined, preliminary and test nuclear war, setting the northern half of the country as the target of attack. His war hysterics show well that his group seeks to start a military operation against the North at any cost, totally refusing North-South dialogue.

The traitor Kim Yong-sam revealed the sinister intention of the puppets to overpower the North by force of arms and realize "unification by prevailing over communism" with the help of outside forces when he cried this time that "full preparations must be made for unification".

This is, indeed, symptoms of downfall of the doomed mortals and their last-ditch wriggle, which is only precipitating their destruction.

The Kim Yong-sam group wielding sword at the South Korean people and threatening the fellow countrymen with a war must be sternly judged and punished by the nation.

ROK Union Responds to U.S. Car Market Demand

SK2608150594 Pyongyang KCNA in English 1501 GMT 26 Aug 94

[Text] Pyongyang, August 26 (KCNA)—Members of the National Council of Trade Union Representatives (Chonnodae) on August 23 sent to the U.S. Embassy a letter of protest demanding an immediate stop to the U.S. unreasonable pressure on South Korea to open the motor market, according to a radio report from Seoul.

Recalling that a U.S. trade representative at the end of July demanded that the South Korean "Ministry of Trade and Industry and Resources" purchase U.S.-made cars as office cars, and expand the scope of market opening to the U.S. vehicles by setting up a consumer consultation room in the "government", they said this is little different from an intimidation. They demanded an official apology for this.

ROK Said To 'Illegally' Bring Guns Into DMZ

SK2808083394 Pyongyang KCNA in English 0811 GMT 28 Aug 94

[Text] Pyongyang, August 28 (KCNA)—The South Korean puppets on August 26 illegally brought 90 mm recoilless guns into the Demilitarized Zone [DMZ] near to Panmunjom, according to military sources.

These guns introduced in broad daylight were installed at the M.P. posts in the Panmunjom area and in the area opposite the North side's post adjacent to it.

On the same day, more than 200 bandits of the puppet army armed with machine guns and automatic weapons suddenly climbed height 167 in the DMZ east of Tongchang-ri, Panmun County, and recklessly ran about, aggravating the situation.

South's 23, 24 Aug 'War Maneuverings' Denounced

SK2708121094 Pyongyang Korean Central Broadcasting Network in Korean 1222 GMT 26 Aug 94

[Commentary by Yun Pyong-son: "To Ignite the Fuse of a War"]

[Text] The South Korean puppets are more knavishly [aknalhage] committing acts of military provocation against us within the DMZ area.

According to a news report, on 23 August, the puppets illegally brought 90-mm recoilless guns and 12.7-mm large caliber machine guns into a military police guard post in the vicinity of (Sangyung)-li, Chorwon County, on the central frontline. They installed those guns at an encampment and waged an exercise of firing sighting shots at our side's guard post, thereby seriously [simhui] irritating us.

Also, on that day, the puppets brought several hundreds of rascals armed with machine guns and automatic weapons and several tens of military vehicles into various areas of the DMZ on the central and eastern frontlines. They deployed them at an encampment and were hell bent on a war exercise threatening us.

This is a part [sanmul] of the war maneuverings of a northward invasion which the cutthroat war maniac Kim Yong-sam ring is pursuing. This is an unpardonable criminal act.

As everybody knows, although the puppets are outwardly babbling about peace and reunification, they are actually pursuing only their ambition to achieve reunification through a victory over communism.

This is proven by the fact: Having mapped out the New Operational Plan aimed at launching a preemptive attack [sonje tagyok] against the northern half of the Republic, the Kim Yong-sam ring is babbling that it will make use of a punishment against the North as an opportunity to achieve reunification, and that reunification should be achieved under the so-called free democratic system aimed at expanding onto the North the colonial, subordinate, and fascist dictatorial system established in South Korea.

This is connected with the acts of military provocation the puppets are committing almost every day in the areas along the Military Demarcation Line [MDL].

We cannot but take seriously the reinforcement of armed forces and the military provocations, which are committed within the DMZ, if we link those acts with the Ulchi Focus-Lens war exercise now being staged in South Korea.

As is known, on 23 August, a group of about 30 combat vessels of the puppets, which were mobilized in the West Sea, waged an exercise of launching attacks on vessels and submarines. Units of tanks, armored personnel carriers, and mechanized infantry troops, which were mobilized and deployed in the area of Kapyong and Chunchong, waged an exercise of an operational plan aimed at a northward invasion under the support of fighter planes.

On 24 August, several hundreds of aircraft of various kinds waged an intensive bombing exercise aimed at staging an aerial warfare and launching attacks on the important facilities along the seashore and in inland areas of the northern half of the Republic.

Meanwhile, on 23 August, the puppet army's 105-mm artillery batteries were mobilized and deployed in the areas on the foremost frontline, such as (Panu)-ri, Chorwon County in Kangwon Province; (Chungsa)-ri, Yonchon County in Kyonggi Province; and (Chungja)-ri, Paju County in South Korea. They fired about 300 shells at an area near the DMZ.

Also on 24 August, a group of the puppet army's heavy tanks, which were mobilized and deployed at Sikhyon-li and Kumpa-ri, Paju County, fired several tens of shells indiscriminately, thereby seriously [simhui] irritating us.

At a time when the Ulchi Focus-Lens war exercise is being waged in a three-dimensional way in the sky, on the ground, and in the sea in South Korea like this, the puppets are provoking [kolgodunungotsson] us by having successively committed acts of military provocation within the DMZ area along the MDL. This is a deliberate and premeditated scheme aimed at igniting the fuse of a second Korean War.

The puppets are reinforcing armed forces and making the sound of gun shots along the MDL, where the Armed Forces of the both sides are standing confronted with each other in a tense way [paengbae hage]. This is a criminal scheme aimed at provoking an armed conflict [mujang chungdolul yagisikigo] and expanding it onto an all- out war. This clearly shows to what extent the rascals' war frenzy has reached.

If sparks are given off frequently, they are bound to ignite a fire. In view of what the Kim Yong-sam ring is doing, we cannot find anywhere the guarantee that a war will not break out on the Korean peninsula.

This notwithstanding, our people and the People's Army, who are fully prepared [manbanui chunbiga tadoeo itnun], are not to be surprised at this at all. They will smash [ttaeryo pusilgotssimnida] the rascals at one stroke [tanmaee], if the aggressors should foolishly launch an attack.

If the Kim Yong-sam ring should continue to traverse the road to confrontation and war in spite of our repeated warnings, the ring will be faced only with a miserable end.

History shows that those who enjoy playing with fire will be burned to death by the fire they have ignited.

The Kim Yong-sam puppet clique should squarely look at the reality and should not act recklessly.

Paper Says ROK Refusing Inter-Korean Dialogue

SK2808085894 Pyongyang KCNA in English 0834 GMT 28 Aug 94

["Unheard-of Treacherous 'Regime' Rushing Toward North-South Confrontation"—KCNA headline]

[Text] Pyongyang, August 28 (KCNA)—The Kim Yong-sam clique under the "civilian" veil by far outdistances the preceding rulers in refusing inter-Korean dialogue and inciting antagonism and confrontation within the nation, says NODONG SINMUN in a by-lined article today.

The South Korean rulers, it notes, lowered the checkbar on all inter-Korean dialogues which had been under way even under the preceding military dictatorship, driveling that they "cannot shake hands with a partner possessed of nuclear weapons." And they have been on the run day in and day out to bring into shape "an international cooperation system" designed to isolate and stifle the North, crying over "nuclear suspicion" against it.

The "civilian" rulers promised to pay more than three billion dollars for the upkeep of the U.S. imperialist aggression forces in South Korea and allow the United States freely use the harbours of South Korea in "an event of contingency".

And they have left South Korea as an "intelligence base against the North", shipped in Patriot missiles and offered the South Korean rice market for their master.

The South Korean rulers promised Japan to make a clean sheet of the thrice-cursed crimes committed by the Japanese imperialists against the Korean people in the past in return for Japan's promise to jointly cope with the "nuclear issue" of the North and assured Japanese enterprises of "prolonged market opening".

The Kim Yong-sam clique lifted even the nominal ban on the import of Japanese commodities, further opening the South Korean market to Japanese products.

No sooner had the DPRK-U.S. joint statement been published than the Kim Yong-sam clique tried to put a spoke in the wheel of the dialogue between the DPRK and the United States. It begged for "practical sanctions" against the DPRK over its "nuclear issue", prattling that the "UN Security Council should be set in-motion" in this regard.

The "civilian" warlikers let out a string of war blasts, crying for "a military reaction" and "full readiness", kicking up a fuss over the fictitious "nuclear development" by the North and put spurs on the preparations for a war against the North, while making haste with their own "nuclear weapons development".

The Kim Yong-sam clique, far from observing the etiquette of expressing condolences over the misfortune of the fellow countrymen in the North, issued a "special alert order", training the gun on the back of the fellow countrymen in grief.

The inter-Korean relations have gone back to the original point of confrontation due to the desperate moves of the South Korean rulers.

They suppressed the August 15 pan-national rally by a brutal method and are staging the "Ulchi Focus Lens" joint military exercise, a war gamble against the North, with foreign forces.

National reconciliation and unity and reunification cannot be achieved nor can the nation evade a disaster with the Kim Yong-sam clique left alone.

Anti-Kim Leaflets Allegedly Scattered by ROK

SK2708052594 Pyongyang Radio Pyongyang in Korean to South Korea 1250 GMT 26 Aug 94

[Unattributed commentary: "The Self-Staged Anticommunist Machination Drama by Those Who Are Cornered"]

[Text] The South Korean civilian traitorous group is resorting to increasingly crude machination tactics against us. For instance, they have recently scattered leaflets through the air and are raving that this had been perpetrated by insidious forces within us.

On 23 August, traitor Kim Yong-sam himself babbled that he thought it to be an act of those within the North and that it was a significant move. On 25 August, they held a so-called Unification and Security Policy Coordination Council meeting and committed a rash act of discussing so-called measures, babbling about all the possibilities to be brought about by the change within the North.

This is truly absurd and ridiculous. After taking a narcotic called philopon [methamphetamine], one loses the sense of reality, and in a state of hallucination, one is seized into an illusion that everything is done as one wishes. Seeing the Kim Yong-sam ring playing around, we note that they seem to be well-addicted on philopon.

They babbled about the possibility of a change within our society and a move. What an absurd remark this is—like one talking in one's sleep! The social and political system of the Northern half of the Republic, our-style socialism, is unshakable like a natural rock—stable and solid.

Suffering the greatest loss of abruptly losing, to their sorrow, the great fatherly leader whom they trusted and followed like heaven, our people did not show the slightest unrest or confusion. On the contrary, our people united more firmly around the dear leader Comrade Kim Chong-il—our destiny and future—and turning sorrow into strength and courage, they stood up resolutely and are advancing vigorously. This highly political maturity of our people and the feature of the wholehearted unity and stability of our society are admired by all the people of the world.

Russian ITAR-TASS denied the South Korean puppets' machination propaganda and reported that the present situation of our Republic is stable and there is nothing about which the residents can hold any complaint.

The Kim Yong-sam ring, seeing our society display stability and unity contrary to their absurd expectations, must have been very upset. Hence, they invented a self-staged machination drama for propaganda. What mean and brazen-faced machinators they are!

Leaflets and the like can never exist and have never existed under our socialist system, in which all the people are united as one around the party, and which all political rights and freedom are thoroughly guaranteed. Such a thing is a usual phenomena seen in South Korea, where the National Security Law and fascist oppression deprive the people of all their rights and freedom and control the media [ollone chagarul mullyonoko innun].

These printed materials and leaflets are being distributed underground because the civilian fascist maniacs suppress media activities of introducing the chuche idea and the realities of the Northern half of the Republic. Large posters and warning notices are put on bulletin boards in university campuses and streets because even those who express condolences over a fellow countryman's death are suppressed as pro-communists benefiting the enemy. This is the stark reality of South Korea.

The scheme of forced transfer [okchro omgyo moryagul kkumingot putoga] of a thing that can exist in an antipeople fascist society to our people-oriented society comes from a foolish idea like transferring a lump of dirt on one's body to another person's clean body.

The so-called leaflets dispersed in the diplomatic area of Pyongyang are clumsy handbills that the Agency for National Security Planning [NSP] directly made and scattered in the air, as a strategic maneuver [moryak chaektong]. No further explanation on this is needed.

What we question is that Kim Yong-sam traitor has played into the NSP scheme and carelessly made absurd remarks as a shock brigade member against the North, pursuing confrontation, without knowing the whole story.

Previous South Korean rulers also conducted anticommunist schemes and strategic propaganda by using the NSP and anticommunist speakers [pangong nabaltong]. However, they have never directly and viciously conducted an anti-North scheming commotion at the forefront to make a ridiculous rumor an established fact [tomuniomnun nangsorul kijong sasirhwa haryogo] like Kim Yong-sam traitor. It is an awkward [chollyol] and despicable [kajung] thing that a person entitled president is making absurd remarks in disgrace, being employed as a puppet speaker [hosuabi nabaltongi twaeso] of the NSP. This only reflects [panjung] that they are in the worst situation, which makes them indiscreet.

In fact, the Kim Yong-sam group has been driven to a corner [maktarun kungjie mollyodulgo itta] because of its critical blunder.

The Kim Yong-sam ring was denounced by the people of the world as the world's matchless human refuse when it committed a rash act of leveling a gun at the nation's unfortunate event, and was scorned by the people of the world when it was frustrated in its unsuccessful attempt to interfere with the DPRK-U.S. talks.

At the same time, the Kim Yong-sam ring implemented the new public security-oriented rule wielding bayonet with murderous frenzy, which is even worse than the fascist rule of the Fifth and Sixth Republics, thus inviting scorn and curse from people at home and abroad. Furthermore, the Kim Yong-sam ring lost face when it was revealed that this was based on a machination using a government-patronized trumpeter like Pak Hong.

The U.S. masters, whom the puppets trust like heaven, are pressuring the Kim Yong-sam ring to revise or abolish the National Security Law, and the ruling group itself is restless from inconsistency and conflict within.

All the nation no longer regards the Kim Yong-sam ring as fellow- countrymen or human beings. No one dares to associate with it. In a desperate plight in which he sees no outlet for survival, traitor Kim Yong-sam put himself on the stage as a leading comedian of a machination drama based on a scenario written by the Agency for National Security Planning in a hasty attempt to divert the attention of the people at home and abroad and to get over the panting. To be more precise, because no one is willing to play the part, in other words, because he is in such a miserable plight, he, the so-called president, has to play the trivial part himself.

However, no matter how hard traitor Kim Yong-sam attempts to stage a machination propaganda to criticize our-style socialism centered on the popular masses and our society, in which the leader and the popular masses are in wholehearted unity, it will not work. The mountain cannot shake when a dog barks.

The Kim Yong-sam ring is following the example of his predecessors, who met their ruinous end while engaged in frenzied anticommunist confrontation, revealing the syndrome of the end of the rule that resorts to an anticommunist machination drama that no one will believe.

Facts show that as long as such an anticommunist fanatic and human dirt as Kim Yong-sam remains unremoved, we cannot achieve national reconciliation, unity, or reunification, nor can we solve any problem within South Korea and the nation. A stern iron hammer of punishment must be inflicted on the Kim Yong-sam ring. The Kim Yong-sam ring should not dare covet our Republic, which is in wholehearted unity, but mind its own business and realize its own plight of being cornered by political confusion and unrest. At the same time, the Kim Yong-sam ring should stop immediately the absurd self-staged drama of anticommunist machinations.

Reports Called 'Smear Campaign'

SK2708044994 Pyongyang KCNA in English 0440 GMT 27 Aug 94

["Anti-Communist Drama of Those Driven to the Wall"—KCNA headline]

[Text] Pyongyang, August 27 (KCNA)—The group of "civilian" traitors of South Korea is resorting to ever clumsier tricks against the North.

For instance, they let fly leaflets in the air and claim that it was "the work of the internal seditious forces" of the North.

On August 23, the traitor Kim Yong-sam himself wagged his tongue, prattling that it "is judged to have been an act within the North" and "is a meaningful movement" and, on the 25th, he called "a meeting for coordinating the unification and security policy" and even committed the folly of discussing "measures" over "all the possibilities to be entailed by the internal change of the North".

The talk about "possibilities of an internal change" of the Northern society or "a movement" there is a ridiculous jargon.

The socio-political system of the Northern half of Korea and Korean-style socialism is as firm as a natural rock and is stable and solid.

The world people are struck with admiration at the singlehearted unity and stability of our society and at the high degree of political maturity of the Korean people who rose up determinedly, and are vibrantly advancing, changing sorrow into strength and courage, united ever closer around the dear leader Comrade Kim Chong-il, the destiny and future of our people, without the slightest vacillation or confusion, though they suffered the greatest loss with the sudden death of the great leader President Kim Il-song whom they followed, trusting as heaven.

ITAR-TASS of Russia, taking exception to the false propaganda of the South Korean puppets, reported that the present situation of the DPRK is stable and there has been nothing to evoke the complaint of the population.

There cannot be and has not been such thing as "leaflets" under our socialist system where the entire people are united around the party in one mind and all the political rights and freedom are fully guaranteed.

The current clamor over "leaflets scattered in the embassy quarters of Pyongyang" is a smear campaign launched by the "Agency for National Security Planning" after printing disgusting leaflets and letting them fly in the air.

What we call in question here is that the traitor Kim Yong-sam danced to the tune of the "Agency for National Security Planning", not knowing the background of the case, setting back in his chair at "Chongwadae" [presidential offices], and let loose a string of thoughtless words, acting as a shock brigade man in North-South confrontation.

He who goes under the name of "president", without caring about decency, is letting out a torrent of trash as a trumpeter of the "Agency for National Security Planning". He is poor and pitiable wretch, we should say.

This only proves that their lot is in the worst state where they are impervious to reason.

In fact, the Kim Yong-sam group has been driven to the edge of a cliff by their own fatal blunders.

It is denounced by the world people as human rubbish without an equal after it leveled the gun to the fellow countrymen in a misfortune and it made itself a target of derision of the world people when it failed at its attempt to put a spoke in the wheel of the DPRK-U.S. talks.

And the Kim Yong-sam group invited the scorn and curse at home and abroad for its hysteric man-hunting under "the new security- oriented rule" outshadowing the fascist rule of the "Fifth Republic" and the "Sixth Republic" and it brought disgrace upon itself when it turned out that the repressive campaign was based on a lie uttered by the paid trumpeter Pak Hong.

The U.S. master whom the puppets worship as their savior is putting an open pressure on it to revise or repeal the "National Security Law" and an unrest prevails in the ruling group with contradiction and conflict.

The nation no longer regards the Kim Yong-sam group as fellow countrymen or human-beings and no one is willing to deal with it.

In the blind alley where no way out can be found, the traitor Kim Yong-sam played the leading part of the drama on the script of the "Agency for National Security Planning", without a moment's thought, in the hope of diverting elsewhere the attention of the home and foreign public and get a breathing spell.

The Kim Yong-sam group would be well advised to stop casting covetous eyes on the DPRK united in one mind but look into its own inside plagued with political confusion and uneasiness and mind its own business and give up ridiculous anti-communist drama at once.

Overseas Party Leaders Support 10-Point Program

SK2608102594 Pyongyang KCNA in English 1019 GMT 26 Aug 94

[Text] Pyongyang, August 26 (KCNA)—The signature campaign for supporting the "10-Point Programme of the Great Unity of the Whole Nation for the Reunification of the Country" put forward by the great leader President Kim Il-song has been conducted in different countries.

In Nepal the signature paper was signed by Secretary General of the Jhapa, Nepal, Committee for Supporting Korea's Reunification Kharendra Prasai, Chairman of the Revolutionary Youth Union of Nepal Tulsi Ram Dukhwar, Chairman of the International Foreign Languages Association of Nepal Chandra Bahadur Ulak, Chairman of the Phaktapur, Nepal, Society for Korean Studies Ashaka G. Basukola, Chairman of the Saptary, Nepal, Committee for Supporting Korea's Reunification Dev Narayan, Chairman of the Peace Action Committee of Nepal Surya Lal and Chairman of the Biratnagar, Nepal, Committee of Journalists for Supporting Korea's Reunification Surendra Aryal [spelling of names as received] on behalf of members of their organisations.

The signature paper was signed by Mikhail Lenko, chairman of the Ukrainian International Union of Participants in the War, on behalf of 100,000 union members and by the chairman of the Justice Party of Austria and the chairman of the Society for the Promotion of the Relations Between Austria and the Democratic People's Republic of Korea on behalf of members of their organisations.

Search of ROK Publishing Office Denounced

SK2708042894 Pyongyang KCNA in English 0416 GMT 27 Aug 94

["Stop Suppression of the Press at Once"—KCNA headline]

[Text] Pyongyang, August 27 (KCNA)—The Kim Yong-sam group of South Korea recently ransacked the office of the monthly magazine SAENAL YOLGI and the Munhwasa Publishing House which printed it and seized things there, on the charge that the magazine had carried "articles sympathizing with the assertions of the North", according to a radio report from Seoul.

SAENAL YOLGI is a lawful periodical the first issue of which was published in April and which serves for awakening high school students in South Korean society.

Calling in question the content of the June issue of the magazine and its special issue for the summer vacation, the Kim Yong-sam group has begun investigation. But there is nothing problematic there. The magazine held that the U.S. imperialists and the Syngman Yi puppet clique started the war against the North on June 25, 1950 and called for the repeal of the "National Security Law" and the dissolution of the "Agency for National Security Planning" and appealed to the high school students to turn out in the movement for reunification. These are all justifiable. They cannot be a target of suppression.

Nevertheless, the Kim Yong-sam group, taking a serious view of this, stopped the publishing and printing work by unreasonably labelling the magazine as "a publication benefitting the enemy" and is scheming to ban SAENAL YOLGI totally. Are there such ignorant hooligans anywhere else?

The Kim Yong-sam group must stop the crackdown on SAENAL YOLGI at once, clearly knowing that the press is mightier than the bayonet.

Kim Yong-sam Called Antireunification Element

SK2808073694 Pyongyang Korean Central Broadcasting Network in Korean 0250 GMT 28 Aug 94

[Unattributed talk: "Traitor Kim Yong-sam Is a Vicious Antireunification Element"]

[Text] Traitor Kim Yong-sam, who makes it his undertaking to change colors and commit betrayals, is a vicious divisionist maniac who has viciously trampled all fellow countrymen's desire for reunification since he wore the hat of a civilian president.

As everyone knows, traitor Kim Yong-sam, in his so-called presidential inaugural address, stated that no allies are better than fellow countrymen and said as if he would improve North-South relations. However, this was a trick to win popularity, enhance his stature, and win the hearts of the masses who yearn for reunification.

The so-called theory of traitor Kim Yong-sam, a dishonest political dealer, that fellow countrymen are more important than anyone else has turned into a theory that fellow countrymen are less important than anyone else, and the so-called policy on improving relations with the North has turned into a policy on deteriorating relations with the North.

Puppet traitor Kim Yong-sam hosted a meeting commemorating the 45th anniversary of the national liberation a while ago and made meaningless remarks there. During that day's so-called congratulatory speech, traitor Kim Yong-sam emphatically referred to the reunification issue and the North-South relations issue. However, the speech was in reality an unrealistic, penniless fiction not worth a passing notice and was gibberish that clearly shows that traitor Kim Yong-sam himself is a national traitor and antireunification element.

Puppet traitor Kim Yong-sam reiterated the three-stage reunification theory of reconciliation and cooperation, North-South alliance, and one nation and one state. He also proposed that a national commonwealth be established on a gradual and step-by-step basis.

At a time all fellow countrymen demand that reunification be achieved in the nineties, he scheduled reunification at a later date [nutchamnun], while talking about a gradual and step-by-step basis. This in itself is a challenge to the fellow countrymen's aspirations for reunification.

Moreover, the reunification that he advocates is a reunification through absorption. It has already been known that traitor Kim Yong-sam even openly babbled that reunification must be achieved based on a free democratic system. As exposed, achieving reunification under a free democratic system means that South Korea's colonial system subjugated to someone else and the fascist dictatorial system will be transferred to the North.

A strong popular masses-centered our-style socialist system has been built on the northern half of the Republic and is ever-victorious. We do not intend to enforce the socialist system of the northern half of the Republic on South Korea, even though it is boundlessly superior to anything else. Also, under circumstances in which mutually different ideas and systems have existed in the North and South for almost a half century, we have insisted that reunification be achieved under a confederal system based on one nation and one state and two systems and two governments.

Nevertheless, puppet traitor Kim Yong-sam, turning a blind eye to his fellow countrymen's just and aboveboard reunification proposals, is dreaming a futile dream of extending the colonial fascist dictatorial system to which even the South Korean are opposed. This is silly talk by those who are crazy about achieving reunification through victory over communism.

In his so-called congratulatory speech, puppet traitor Kim Yong-sam babbled about needs to implement the so-called agreement and the joint declaration, extend cooperation and assistance, promote trust and stated that he would leave open the door to dialogue. He did so in a futile effort to show that he has a will to achieve reunification. Truly, this is a despicable statement.

As it has already been exposed, traitor Kim Yong-sam is a bastard [nom] who, as soon as he had worn the hat of puppet president, resumed the Team Spirit nuclear war exercise and, thus, intensified tensions and brought the favorably developing situation back to the confrontational phase that prevailed before the agreement was signed.

He is now talking as if he were interested in the implementation of the agreement and the joint declaration. Nevertheless, no one will take it as truth.

Traitor Kim Yong-sam also babbled about cooperation, assistance, and trust. They, too, are gibberish not worth considering. Traitor Kim Yong-sam is a person who babbled about the suspicion of nonexistent nuclear development and busily tried to impose sanctions, even while talking about cooperation, assistance, and trust.

It is also the puppet Kim Yong-sam clique that mercilessly suppressed patriotic forces for reunification, even though he said he left open the door to dialogue. In recent days, the puppet Kim Yong-sam clique arrested and detained all people who tried to go to the North in connection with the incident concerning their fellow countrymen there, persistently blockaded Panmunjom in connection with the Fifth Pannational Rally, and, thus, angered the 70 million fellow countrymen in the North and South.

Even while kicking up reckless suppression commotions in South Korea on one hand, traitor Kim Yong-sam made various clumsy remarks, on the other, to show that he had a will for reunification. This is a sign of the puppets' imminent downfall and mere bravado by those who have sensed their bitter end.

Treacherous acts against the nation by puppet traitor Kim Yong-sam can never be tolerated. South Korean publications call Kim Yong-sam a president of lies, an incarnation of betrayals and treachery, a human trash, and dog Yong-sam [kaeyongsam]. This is a very just description.

The 70 million fellow countrymen in the North and South and abroad will no longer consider traitor Kim Yong-sam and his traitorous group to be their compatriots or human beings. They will never keep company with these trash of the nation.

No matter how hard traitor Kim Yong-sam may try to block reunification, he will not be able to stop the 70 million fellow countrymen's steady march toward reunification. And, puppet traitor Kim Yong-sam, a betrayer of the nation, will meet his end on this road.

Kim Yong-sam's 'Suppression' of Students Alleged

SK2908051894 Pyongyang KCNA in English 0509 GMT 29 Aug 94

[Text] Pyongyang, August 29 (KCNA)—The Secretariat of the Committee for the Peaceful Reunification of the Fatherland in its information no. 655 issued on Sunday [28 August] brands the reckless suppressive campaign launched by the South Korean fascist clique under "a new security-oriented rule" as a vicious challenge to the forces of independence, democracy and reunification and an unpardonable criminal act of obstructing the reunification of the country through the escalation of the inter-Korean confrontation. "The fellow countrymen will surely settle account with the South Korean rulers for their towering anti-national, anti-reunification crimes", it declares.

"The Kim Yong-sam fascist clique committed such fascist outrages as arresting, detaining and searching a great many hardcore members of the student movement, claiming that they uncovered the 'Society for the Study of the Chuche Idea', an organisation of the 'Chuche Idea Faction', at the Yongin branch of the Hankuk University of Foreign Studies, a 'secret underground organisation' called death-defying corps' active on 'the directives of the North' under the influence of the 'Kwangju-South Cholla provincial Federation of General Student Councils' (Namchongnyon) and the 'Kimilsongist Youth League,' an organisation of the Chuche Idea Faction," the information notes, and continues:

"It can by no means be a crime to follow, study and disseminate the immortal chuche idea which is publicly accepted as the great guiding idea of the era of independence and indicates the path of national reunification.

"It is a wicked trick to strangle all the pro-reunification patriotic forces by invoking the 'National Security Law' to charge the students with forward-looking spirit with 'collaboration with communists' and 'enemy-benefiting act' and 'being manipulated by the North behind the scene' for the mere reason that they follow the chuche idea, an advanced idea."

The information further says:

"It is an anachronistic dream to put down the patriotic people with the fascist sword and find a way out of the crisis of the regime in an anti-North campaign.

"The Kim Yong-sam clique must immediately scrap the fascist 'national security law' denounced by the entire fellow countrymen and the world, dismantle the 'agency for national security planning' and other suppressive machines, stop the brutal suppression of 'Hanchongnyon' and unconditionally release the illegally arrested patriotic students and people."

'Ferocious Suppression' Viewed

SK2908050794 Pyongyang KCNA in English 0459 GMT 29 Aug 94

[Text] Pyongyang, August 29 (KCNA)—The ferocious suppression of the chuche idea followers by the Kim Yong-sam group is an unpardonable illegal fascist crackdown on idea and a vicious challenge to patriotism and justice, say NODONG SINMUN and MINJU CHOSON.

The Kim Yong-sam group is throwing South Korean students into prison on the charge of the study of the chuche idea by mobilizing all the repressive machines including "the Agency for National Security Planning," prosecution and police and invoking "the National Security Law," a news analyst of NODONG SINMUN says, and continues:

The choice of idea is a matter pertaining to the freedom and rights of the people. It has become a worldwide trend to study the chuche idea with a view to shaping one's destiny under its banner. The dissemination and study of the chuche idea is allowed even in such capitalist countries as the United States and Japan.

Then, why is the Kim Yong-sam group going off into anti-communist fascist hysterics against the devotees of the chuche idea and the pro-reunification patriotic and democratic forces with animosity? This is because it feels its disgraceful doom, seeing South Korean people following the immortal chuche idea with firm faith in it.

The Kim Yong-sam group's harsh suppression of the devotees of the chuche idea is, in the final analysis, part of its anti-North confrontation row and a symptom of the downfall of it wriggling in a serious ruling crisis.

The Kim Yong-sam group has launched a wave of fascist rampage under "a new security-oriented rule" most truculent ever in history, claiming that "the liberal democratic system" is threatened by the spread of the chuche idea. It is aimed at propping up its regime on the verge of collapse by destroying the national democratic movement forces.

No matter how desperately it may try, however, Kim Yong-sam can neither prevent the spread of the chuche idea nor save "the civilian" regime on the wane.

What waits for Kim Yong-sam is only a judgment and punishment by history and the people.

ROK Denounced for Attempt To Justify Division

SK2808015394 Pyongyang Korean Central Broadcasting Network in Korean 1226 GMT 27 Aug 94

[NODONG SINMUN 27 August commentary: "The Traitor's New Invention"]

[Text] Linking this country's offshoots that spread out from Paektu and reunifying the divided fatherland are our nation's unanimous desire. Recently, however, the Kim Yong-sam clique has been spreading absurd rumors disguised as a so-called theory that go against the nation's hope for reunification.

According to an article in the South Korean paper CHUNGANG ILBO on 20 August entitled "The North and the South of Korea Were Different Lands," the South Korean ruling bunch let subserving scholars publish the results of studies contending that the North and the South of Korea were originally different lands several thousand miles away from each other with the present Military Demarcation Line serving as the boundary. Truly, this is sheer nonsense—like a cat laying eggs.

We do not feel any necessity to prove the falsity of the Kim Yong-sam clique's wild rumor that the North and South were originally different lands based on a theory on crustal activity, which happened in the remote past before the human race appeared. The question is why on earth is the Kim Yong-sam clique letting subserving scholars release such results and why is it advertising it. It goes without saying that it is aimed at rationalizing the Korean division and instigating North-South confrontation.

It is an unbearable misfortune that one territory through which the same veins have run from olden times was divided by outside forces and one nation of the same blood has lived separated for scores of years. As if it were not enough, the South Korean authorities claim that the North and the South were different lands in an attempt to freeze and legalize the division. Can there be more despicable traitors?

The preceding rulers of South Korea tried to legalize the division by circulating a forged map defining the cursed concrete wall as the borderline. Now the Kim Yong-sam group is contending that the North and South of Korea were different lands to destroy the origin of one Korea and one nation.

Kim Yong-sam is the very one who is a national splittist more vicious than his preceding rulers. Why on earth is the Kim Yong-sam clique spreading such a weird contrivance? No sooner had the Kim Yong-sam group take office, when it worked at a fever pitch to harm the fellow countrymen in the North, crying for international sanctions over the fictitious suspected nuclear development by the North. Worse still, they did not hesitate to aim a gun at the fellow countrymen wailing in grief, far from expressing condolences over their misfortune. When they were denounced at home and abroad as a group of barbarians little different from beasts for these traitorous acts, the Kim Yong-sam group invented the aforesaid theory in a bid to justify its behavior.

Even though there is a saying that a drowning man will grab at a straw, every act perpetrated by traitor Kim Yong-sam is disgusting and ridiculous.

No matter how desperately such splittist maniacs as the Kim Yong- sam group may act, it can neither distort the history of the homogeneous nation spanning 5 thousand years, nor keep off the dawn of reunification in the nineties.

'Venal Scholars' Publish Study

SK2708110394 Pyongyang KCNA in English 1018 GMT 27 Aug 94

["New 'Invention' of Traitor"—KCNA headline]

[Text] Pyongyang, August 27 (KCNA)—The South Korean rulers let venal scholars publish "Results of Studies" contending that "the North and the South of Korea were originally different lands" several thousand miles away from each other with the vicinity of the present Military Demarcation Line as the boundary, according to a report of the South Korean paper CHUNGANG ILBO August 20 titled "The North and the South of Korea Were Different Lands".

Needless to say, this is intended to justify the division of Korea and incite confrontation between the North and the South, an analyst of NODONG SINMUN today says, and continues:

It is an unbearable misfortune that one territory through which the same veins have run from olden times was divided by outside forces and one nation of the same blood has lived separated for scores of years. As if it were not enough, the South Korean authorities claim that the North and the South were "different lands" in an attempt to freeze and legalize the division. Can there be more despicable traitors than them?

The preceding rulers of South Korea tried to legalize division circulating a forged "map" defining the cursed concrete wall as the "borderline". And now the Kim Yong-sam group is contending "the North and the South of Korea were different lands" to destroy the origin of one Korea and one nation.

No sooner had the Kim Yong-sam group taken office than it worked at fever pitch to harm the fellow countrymen in the North, crying for "international sanctions" over the fictitious "suspected nuclear development" by the North. Worse still, they did not hesitate to aim the gun at the fellow countrymen wailing in grief, far from expressing condolences over their misfortune. When they were denounced at home and abroad as a group of barbarians little different from beasts for these traitorous acts, the Kim Yong-sam group invented the aforesaid theory in a bid to justify its behaviour.

No matter how desperately such splittist maniacs as the Kim Yong- sam group may try, it can neither distort the history of the homogeneous nation spanning five thousand years nor keep off the dawn of reunification in the 1990s.

ROK's Pak Hong 'Trumpeter of Kim Yong-sam'

SK2808090994 Pyongyang KCNA in English 0839 GMT 28 Aug 94

["Paid Trumpeter of 'Civilian Government'"—KCNA headline]

[Text] Pyongyang, August 28 (KCNA)—Pak Hong, venal president of Sogang University in South Korea, at a forum organised by the Yoido Club on August 25, failed to produce any evidence supporting his "remarks on the chuche idea faction" and, on the contrary, maliciously hurled mud at the students following this idea, charging them with "violent method."

This makes it self-evident that he is a paid trumpeter of Kim Yong-sam and a watchdog of the "Agency for National Security Planning," says NODONG SINMUN today.

Pak Hong has been criticised by the public for his "remarks on the chuche idea faction" in late July, which created conditions for the Kim Yong-sam group to strengthen the fascist "new security-oriented rule."

The news analyst says:

Pak Hong is a quack educator who had played a decisive role in helping the preceding military fascist "government" survive the crisis by establishing a "security-oriented rule." A dirty and degenerate slave of money and a human derelict, that made the "remarks on the chuche idea faction" in return for 500 million won he received from Kim Yong-sam.

If he were a true educator, he should have encouraged and guided the students to study and disseminate advanced ideas. But, the insulted the followers of the chuche idea, branded them as "a violent force" and put them under the unsheathed sword of the fascist authorities. Does he have a shred of conscience as an educator?

Still more disgusting is the act of the traitor Kim Yong-sam who manipulated this human derelict to make false remarks, bribing him with a bundle of currency and then strengthened the fascist "new security-oriented rule."

Such human scum as Pak Hong and Kim Yong-sam will be severely punished and thrown into their graves by the people.

Kyrgyz President Supports Korean Reunification

SK2608101494 Pyongyang KCNA in English 1002 GMT 26 Aug 94

[Text] Pyongyang, August 26 (KCNA)—Kyrgyz President Askar Akayev supported the proposal for the reunification of Korea by means of confederacy clarified by the great leader President Kim Il-song, saying it is a just proposal, when he received credentials from the Korean ambassador on August 18.

The president hoped that the Korean people would rally themselves closer around his excellency Kim Chong-il and wished him success in his work for socialist construction and well-being of the Korean people.

Daily on Japan's 'Obligation' To Atone for Past

SK2608065994 Pyongyang KCNA in English 0506 GMT 26 Aug 94

["Japan Must Liquidate Its Past in Deed"—KCNA headline]

[Text] Pyongyang, August 26 (KCNA)—Japan must honestly liquidate its past crimes not in words but in practice, fully investigate into all the materials on the crimes, not concealing them, punish those responsible for them and compensate for the damages she inflicted on peoples of many countries in the past, urges MINJU CHOSON today.

The analyst says:

The Japanese Government, which had refused to compensate for the damages inflicted on Asian peoples by Japan during World War II, has now changed its position, and is talking about a certain amount of "compensation." But this is an attempt to create the impression that the present government is more friendly than the preceding governments.

The Japanese imperialists, who unleashed a war of aggression against Asian nations in the past, illegally occupied Korea for 40 odd years, destroyed and took to Japan whatever material and cultural wealth they could lay their hand on, forcibly took away more than six million people, killed above one million people and drafted nearly 200,000 women as sex slaves. Both in view of international law and humanitarianism, it is an unavoidable obligation of Japan to atone for such heinous anti-ethical crimes.

Japan's liquidation of its past is the touchstone showing whether Japan is willing to break with its past of aggression or to repeat it.

Its compensation must be made to all the nations and individuals that suffered at the hand of the Japanese imperialists in the past and it must be adequate for the victims.

Japan must, also for itself, fully liquidate its past as early as possible so that the world may admit its sincerity. An empty talk can work on nobody.

Japan Urged To Make Compensation for 'Crimes'

SK2708045394 Pyongyang KCNA in English 0427 GMT 27 Aug 94

["Japan Must Liquidate Her Past in Practical Deed"—KCNA headline]

[Text] Pyongyang, August 27 (KCNA)—It is an irresponsible and grave act for Japan to have failed to make compensation for her past crimes till today when nearly 50 years have passed since the end of the Second World War. Yet she is circulating a rumour that she would "work out a 10-year plan for compensation".

Commenting on this, NODONG SINMUN today says this is, in essence, a crafty artifice to hush up the issue of compensation while delaying compensation and avoiding it.

The analyst says:

For Japan to sincerely reflect on and thoroughly liquidate her past of aggression is necessary for herself.

Japan, however, refuses to sincerely apologize for her monstrous crimes against the Korean and other Asian peoples and evades compensation under unreasonable pretexts.

The crimes committed by Japan against Korea and other Asian nations in the past were state crimes perpetrated by invoking state power.

The Japanese Government, the assailant, must compensate all the countries and individuals victimized by the Japanese imperialists. This is an unavoidable obligation of Japan under international law and in the moral point of view.

Japan's post-war compensation has not yet begun, far from ending, we should say. The Japanese authorities can never evade its obligation for compensation under any pretext.

The insincere attitude of the Japanese authorities toward the liquidation of the past crimes is a mockery of the world conscience and justice and another insult to the victims and the survivals.

The sincere liquidation of the aggressive past by Japan is necessary for the restoration of the international justice and morality which have been violated and prevention of the recurrence of such crimes.

If they are to settle the past of aggression with sincerity, the Japanese authorities themselves must probe the crimes committed by old Japan and fully make public the materials about their truth.

For a thorough liquidation of the past, it is also necessary to take a legal action against those responsible for the past crimes.

What is important in the liquidation of the past is for the Japanese authorities to make an official apology and material compensation for the damages. Compensation is a material token of the sincere repentance of the aggressive acts and the determination to break with the past and make a new start.

The Japanese authorities must clearly know that the liquidation of the past is a demand of the times and take an early measure for it understandable to the world.

Japanese Teachers for Study of Chuche Idea Meet

SK2608102294 Pyongyang KCNA in English 1015 GMT 26 Aug 94

[Text] Niigata, August 24 (KNS-KCNA)—The 18th National Meeting of Japanese Teachers for the Study of the Chuche Idea was held in Niigata Prefecture on August 21 on the theme "For Advancement of Japan-Korea Friendship and Solidarity Movement".

The meeting was cosponsored by the Liaison Council of Societies of Japanese Teachers for the Study of the Chuche Idea, the Japan-Korea Association for Academic Exchange, the Niigata Prefectural Union of Teachers and the Niigata Prefectural Union of High School Teachers.

The participants observed a moment's silence in memory of the great leader President Kim Il-song

Congratulatory messages from the Korean Society for Cultural Relations With Foreign Countries and the Korean Academy of the Chuche Idea were introduced at the meeting. Then speeches were made.

Shoichi Yokobori, secretary general of the Liaison Council of Societies of Japanese Teachers for the Study of the Chuche Idea, in his keynote report said that today the Korean people are changing the sorrow at the death of President Kim Il-song into strength and courage and rising up for the advancement of Korean-style socialism and the accomplishment of the cause of the independent and peaceful reunification of Korea, closely united around Marshal Kim Chong-il.

He said that Marshal Kim Chong-il formulated the revolutionary idea founded by President Kim Il-song as Kimilsongism that constitutes an integral system of the idea, theory and method of chuche and has further developed it in depth.

He called for deeply studying "on further developing educational work", a work of Marshal Kim Chong-il, on the occasion of the 10th anniversary of its publication.

He criticized the policy of the Japanese Government for isolating and attacking the Democratic People's Republic of Korea and unhesitatingly staging a joint military action with the United States and South Korea on the pretext of "nuclear suspicion".

Reports and speeches were made at the meeting, which was held divided into theory, educational practice and Japan-Korea friendship and solidarity movement subcommittee sessions.

A letter to the dear leader Marshal Kim Chong-il was adopted at the meeting.

An appeal adopted at the meeting said that the difficult circumstances surrounding the DPRK have not yet been improved owing to the unjust interference motivated by the intention of some big countries and the distorted information attributable to it.

We, the appeal noted, should clearly see the suffocating situation surrounding the DPRK and be firmly convinced of the need to make a brisk exchange and strengthen bonds in education, politics, economy and other fields.

Now the study on the chuche idea, the basic idea of the foundation and activities of the DPRK should be made sincerely without prejudice everywhere, the appeal said. It stressed that Japan must learn from the chuche idea.

Castro Interviewed on U.S. Immigrant Measures

SK2708142494 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 27 Aug 94

[Text] Comrade Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba and president of the Councils of State and Ministers, held an interview on 24 August with a Cuban television station reporter concerning the U.S. measures promoting illegal mass emigration in Cuba. He noted the recent U.S. measures promoting illegal mass emigration in Cuba, which are aggravating the situation, and denounced the United States for not changing its wrong opinion, idea, objectives, and strategies against Cuba but it is intensifying anti-Cuba offensives to isolate and obliterate Cuba.

Comrade Fidel Castro mentioned the fact that the United States is violently violating the immigration treaty it signed with Cuba in the past, and urged the United States to seek a fair resolution of the problem.

Cuban Ambassador Visits Party Founding Museum

SK2608063894 Pyongyang KCNA in English 0435 GMT 26 Aug 94

[Text] Pyongyang, August 26 (KCNA)—Cuban Ambassador to Korea Jose Ramon Rodriguez Varona and his embassy officials visited the Party Founding Museum in Pyongyang Thursday.

Hearing the story that the great leader President Kim Il-song founded the Workers' Party of Korea and led the building of a new Korea to a brilliant victory, staying there right after the liberation of the country, the guests saw with keen interest relics and materials.

The ambassador said that the great Comrade Kim Il-song was a people's leader who devoted his whole life to the happiness of the people. He stressed the immortal feats performed by him will shine forever.

He expressed the hope that the Korean people will achieve successes in fulfilling the behests of the respected leader President Kim Il-song under the wise guidance of the dear leader Comrade Kim Chong-il.

Hosts Friendship Gathering

SK2608063594 Pyongyang KCNA in English 0430 GMT 26 Aug 94

[Text] Pyongyang, August 26 (KCNA)—Cuban Ambassador to Korea Jose Ramon Rodriguez Varona hosted a friendship gathering at his embassy Thursday upon the closing of the month of solidarity with the Cuban people.

Invited there were Choe Ki-yong, chairman of the State Education Commission and chairman of the Korea-Cuba Solidarity Committee, and officials concerned.

Speeches were exchanged at the gathering, which took place in a friendly atmosphere.

Foreign Minister Meets French Senate Secretary

SK2608105994 Pyongyang KCNA in English 1041 GMT 26 Aug 94

[Text] Pyongyang, August 26 (KCNA)—Vice-premier and Foreign Minister Kim Yong-nam today met and had a friendly talk with Michel Aloncle [spelling of name as received], secretary of the foreign affairs and national defence committee of the French Senate, visiting Korea.

Central Committee Sends Greetings to Chile

SK2608110094 Pyongyang KCNA in English 1040 GMT 26 Aug 94

[Text] Pyongyang, August 26 (KCNA)—The Central Committee of the Workers' Party of Korea on August 22 sent a message of greetings to Gladys Marin upon her election as general secretary of the Central Committee of the Communist Party of Chile.

It expressed the belief that the friendly relations between the two parties would continue to develop on good terms in the common efforts to defend and advance the socialist cause and sincerely wished her great success in her responsible work to implement the resolution of the 20th Party Congress.

Kim Yong-nam Greets Colombian Foreign Minister

SK2608100894 Pyongyang KCNA in English 1000 GMT 26 Aug 94

[Text] Pyongyang, August 26 (KCNA)—Foreign Minister Kim Yong-nam sent a message of greetings to Rodrigo Pardo Garcia Pena upon his appointment as foreign minister of the Republic of Colombia.

Expressing the belief that the friendly relations between the two countries would develop more favorably in conformity with the desire of the two peoples and the idea of the nonaligned movement, the message wished him great success in his responsible work.

Central Report Meeting Held on 27 Aug

SK2808120694 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 27 Aug 94

[Text] A central report meeting marking the 20th anniversary of the publication of the historical work of the dear leader Comrade Kim Chong-il on 2 August 1974 was held at the 8 February Cultural Hall on 27 August.

Placed in front of the reporting meeting hall, with the party flag as its background, was the portrait of the great leader of our party and our people Comrade Kim Il-song. Slogans reading "Long live the great leader Comrade Kim Il-song!" and "Long live the glorious Workers Party of Korea [WPK]! were also installed."

Hung in the backdrop of the platform were a picture of Mt. Paektu symbolizing our party's glorious revolutionary tradition, and a "1974-1994" placard.

Hung at the report meeting hall were slogans such as "The great leader Comrade Kim Il-song lives forever among us!" "Let us more thoroughly arm ourselves with the great leader Comrade Kim Il-song's revolutionary idea!" and "Let us add more luster to our-style socialism with the might of singlehearted unity!"

Participating in the report meeting were members and candidate members of the WPK Central Committee, who are in the city of Pyongyang; anti-Japanese revolutionary fighters; party functionaries of the capital city and provincial regions; functionaries of the power organs, administrative and economic organs, organs of the People's Armed Forces, organs of the Public Security, social organizations, and central organizations; and functionaries of the sectors of science, education, culture, arts, public health, the media, and the press.

Appearing ont the platform were Comrade Kang Song-san, member of the Political Bureau of the WPK Central Committee and premier of the State Administration Council; Comrade Kim Yong-nam, member of the Political Bureau of the WPK Central Committee and vice premier of the State Administration Council; Comrades Kye Ung-tae and Han Song-yong, members of the Political Bureau of the WPK Central Committee and secretaries of the party Central Committee; Comrade Kim Chol-man, candidate member of the Political Bureau of the WPK Central Committee; Comrade Choe Tae-pok, candidate member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Comrade Yang Hyong-sop, candidate member of the Political Bureau of the WPK Central Committee and chairman of the Supreme People's Assembly; Comrade Hong Sok-hyong, candidate member of the Political Bureau of the WPK Central Committee and chairman of the State Planning Commission; Comrades Kim Ki-nam, Kim Kuk-tae, Hwang Chang-yop, Kim Chung-nin, So Kwan-hui, and Kim Yong-sun, secretaries of the WPK Central Committee; responsible functionaries of party organizations at various levels; and responsible functionaries of working organizations.

The reporting meeting began with the chorus of songs "General Kim Il-song" and "Dear Comrade Kim Chong-il."

The participants paid a silent tribute in memory of the leader [suryongnim], while looking back upon respectfully the immortal achievements and the brilliant life of the respected and beloved leader Comrade Kim Il-song, who founded the chuche-oriented revolutionary party; strengthened and developed our party as an iron-willed party with combat capability and dignity [kwonwi]; and laid an everlasting cornerstone for the accomplishment of the revolutionary cause of chuche.

Comrade Kye Ung-tae, member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee, delivered a report to the meeting.

The report meeting was held amid the overflowing revolutionary zeal of the participants to vigorously struggle to carry through the revolutionary cause of chuche—with faith in sure victory and optimism—uniting singleheartedly around the party, while defending, safeguarding, and glorifying the immortal achievements of the dear leader Comrade Kim Chong-il, who has strengthened and developed the WPK with his outstanding leadership of the ever-victorious party of Comrade Kim Il-song, while having earlier established a theory for building a chuche-oriented party.

Kang Song-san Attends Meeting

SK2708154394 Pyongyang KCNA in English 1522 GMT 27 Aug 94

["Twentieth Anniversary of Publication of Comrade Kim Chong- il's Work Marked "—KCNA headline]

[Text] Pyongyang, August 27 (KCNA)—A national meeting took place at the February 8 House of Culture today upon the lapse of 20 years since the publication of a historical work by the dear leader Comrade Kim Chong-il on August 2, 1974.

Present at the meeting were Premier of the Administration Council Kang Song-san, Vice-President Yi Chong-ok, Vice-Premier of the Administration Council and Foreign Minister Kim Yong-nam and Chief of the General Staff of the Korean People's Army Choe Kwang who are members of the Political Bureau of the Central Committee [C.C.] of the Workers' Party of Korea [WPK], and other senior party and state officials, leading men of party and power bodies, administration and economic organs, People's Armed Forces organs, social organizations and central organs.

Kye Ung-tae, Politburo member and secretary of the C.C., the WPK, delivered a report at the meeting.

"The dear leader Comrade Kim Chong-il, on August 2, 1974, basing himself on a scientific analysis of the leader's position and role in the revolution and construction, said the whole course of the building of a working-class party must be a course of modelling the party on the revolutionary idea of the leader and thus gave a scientific exposition of the universal law governing the building of a revolutionary party, with the result that the fundamental matters of the building of a working-class party were correctly solved for the first time in history," the reporter said.

He said the policy of modelling the whole party on the chuche idea put forward by the dear leader is a scientific idea of party building which correctly reflects the mission and duty of the WPK and the law governing the revolutionary struggle for the independence of the popular masses and a great programme of party building which makes it possible to dynamically accelerate the revolution and construction by strengthening the WPK and enhancing its leadership role.

He reviewed the achievements made by our party over the last two decades after the publication of the historical work in its strenuous efforts for fully realising the modelling of the whole party on the chuche idea on a new tighter level on the basis of the revolutionary idea of the great leader Comrade Kim Il-song.

He said: "What we are most proud of now is that the building of the party's foundations has been completed and its monolithic leadership system has been definitely established.

"All the cadres and party members are faithfully carrying forward the revolutionary cause of chuche, always supporting the idea and guidance of the dear leader with loyalty and filial piety in any adversity as the foundation stone and sparks of struggle, with the noble intention of comrade Kim Il-song as their motto in the life and struggle. This is their ideological feature and working and fighting spirit.

"In the course of modelling the whole party on the chuche idea, the mass foundations of the party have been further consolidated and the singlehearted unity of the party and the revolutionary units cemented in every way."

"The proud achievements and brilliant victory of the programme for modelling the whole party on the chuche idea are a historical fruition achieved by acclaiming Comrade Kim Chong-il at the top of our party and the revolution."

The reporter said the main mission and noble duty of the WPK is to carry to accomplishment the revolutionary cause of chuche started by Comrade Kim Il-song through generations.

The reporter laid stress on the need to uphold the guidance of the dear leader Comrade Kim Chong-il with loyalty in order to push ahead with the modelling of the whole party on the chuche idea and accomplish the revolutionary cause of chuche.

He quoted the great leader Comrade Kim Il-song as saying:

"I firmly believe you will staunchly fight to accomplish the cause of socialism, the revolutionary cause of chuche, with loyalty to Comrade Kim Chong-il's leadership in future."

This is an earnest wish and valuable behest which Comrade Kim Il-song left to the Korean people and posterity, said the reporter.

He said: "We must unite around the dear leader Comrade Kim Chong-il and remain intensely loyal to his unitary guidance, bearing deep in mind the behests of Comrade Kim Il-song."

The reporter elaborated on the tasks to model the whole party on the chuche idea, saying that in order to thoroughly ensure the unitary guidance of the dear leader, it is imperative to defend and exalt the revolutionary exploits of the party through generations and consolidate the class position of socialism.

There is no change in the principle and line of the WPK and the DPRK Government for the reunification of the country, he said, adding: "We must actively fight to reunify the country by the confederation formula and organise all the party members and working people to join in the noble struggle for national reunification on the three principles of independence, peaceful reunification and great national unity and under '10-point Programme of the Great Unity of the Whole Nation for the Reunification of the Country' which were put forward by Comrade Kim Il-song."

"We must vigorously strive to accomplish the revolutionary cause of chuche, develop the joint struggle of the progressive people of the world advocating independence and greatly contribute to the cause of global independence," stressed the reporter.

Former Soviet Envoy's View on Succession Noted

SK2908122094 Pyongyang Korean Central Television Network in Korean 1100 GMT 28 Aug 94

[Text] On 23 August, the Russian paper PRAVDA carried an article entitled "On the Basis of the Stark Reality [konjonhan sasiljuui]" subtitled "On the Situation of the DPRK in the Eyes of the Last Former Soviet Ambassador" written by Aleksandr Kapto, former Soviet ambassador to our country.

He writes as follows: After Comrade Kim Il-song, general secretary of the Central Committee of the Workers Party of Korea [WPK] and president of the DPRK, suddenly passed away on 8 July 1994, deep public interest ensued on the status of the power succession issue in this country. This matter, when seen from various angles, is an understandable one and can be fully explained.

The power succession issue has been brought up more than anything else. This is because, often in history, whenever there is a transfer of power in a country, serious political turmoil [simgakhan chongchijok pyondongi] has arisen and has rocked the entire society. In various countries, including European countries, politically ambitious people of the upper class waged behind-the- scenes fighting. The military class was directly involved in political upheaval in various countries in Latin America. In some countries, the so-called lower class people arose. Such being the case, there has been a kind of unfavorable rumor that whenever there is a power transfer in the world, tension inevitably mounts in society, and a power challenge and scapegoats follow.

However, what is the situation in the DPRK like? The knowledge I have of this country has not been acquired from papers that cause ripples with fabrications and fictions.

I visited this country for the first time in the summer of 1988. I went there to inform the North Korean leadership of the results of the Soviet-U.S. summit as a special envoy of Gorbachev. I held long and detailed talks with Comrade Kim Il-song. As the contents of the talks were deep, open-minded, based on faithfulness, I clearly keep the meeting in my mind. The talks got rid of all sorts of ceremonial forms and frameworks and proceeded sincerely.

Some years later, I went to serve as an ambassador to Pyongyang, furthermore, as the last ambassador from the Soviet Union. During my service in this short period, I was received by Comrade Kim Il- song four times. During the talks, that were extended for several hours, we discussed wide-range international affairs and matters concerning bilateral cooperation. We also had a lot of discussions on the matters of livelihood. I often met with the leadership of various levels; intellectuals, working people, and farmers. I also visited small units of the revolutionary Armed Forces.

Based on this, I came to know the mental state of the DPRK people, not through wild guesses faked up intentionally and wild speculations, but through practical life.

Then, let us review the problems one by one. Few prophets, who surely have antagonism toward the DPRK, are conducting absurd maneuvers by making speculations and grumbling over the fact that the Plenary Session of the WPK Central Committee and the Supreme People's Assembly were not held at the right time [chosonminjujuui konghwaguge taehayo punmyonghi choktaegamul pumun myonmyot andoenun yeongadurun chosonnodongdang chungangwiwonhoe chonwonhoeuiwa choegoinminhoeuiga che siire yoriji angoinnun sasirul noko irokung chorokung hamyonso tomuni amnun sujagburiryo hagoita]. Such wild guesses only reveal the evil intentions of those who contrived these rumors and show the level of their political clumsiness. They do not show the truth of the issues in the slightest degree.

In reality, Comrade Kim Il-song remains the most outstanding political activist of the present era in the history of the Korean people. Linked with his esteemed name are the Korean people's achievement of national independence and their construction of the socialist society centered on the popular masses. He was the first head of state of Korea. He led the WPK for a long time.

All successes in the socialist construction in the social, economic, scientific, and cultural sectors were achieved under his wise leadership. He was genuinely the father of the people. Therefore, his death brought a big sorrow to the household [han kajong].

What should be noted here is that Korea is the country of decorums in the East. In view of this, the tragedy connected with his death shook the hearts of all the people.

Therefore, my own opinion is: Under these circumstances, the DPRK's supreme leadership organization [choego chido kigwan] did not hastily hold one meeting or another over the question of the transfer of power [chongkwon iyang munje], but behaved in conformity with etiquette [uirijokuro], thereby having wisely handled this matter in accordance with the opinion of all the people.

Next, let me talk about the question of handing over power [chongkwonul numginun munje]. It is surprising to see sham prognosticators make predictions about this in such a way as to create dizziness. They are trying to distort the reality with a distorted mirror, and to veil too clear-cut and understandable an issue with a thick fog.

Speaking of the true nature of this question, In the DPRK, the question of succession to power has already been solved in a principled and successful way a long time ago.

Today, Comrade Kim Chong-il is standing as the recognized leader [kongindoen yongsu] of the nation.

He has achieved sufficient experiences in political and state activities.

Having worked at the WPK Central Committee alone for 30 years, he has led the party.

He is the supreme leader [choego yongdoja] of the DPRK and the supreme commander of the revolutionary Armed Forces.

In fact, it has been long since he already began leading the overall work of the country.

Upheld [chudae] at the head [suwi] of the party, state, and the Army, he has led, and is leading, all sectors—political, economic, and ideological—of the social life.

Embodying Comrade Kim Il-song's idea of benefiting the people like heaven, he has always maintained a deep connection with the working popular masses. He enjoys high respect from the masses.

Touring various cities, plants, enterprises, and scientific and cultural organizations of the DPRK, I witnessed [hwaksin] this several times.

In other words, I know too well what kind of person is the man who is inheriting Comrade Kim Il-song's cause.

I know well that the political stability and singlehearted unity are maintained intact in Korea.

What I would like to emphasize here is: If there is anyone who is poking his nose—giving his own remedy [chobang]—in the internal affairs of a sovereign [chajujokin] country at this difficult time when Korea is suffering, this is morally wrong.

Every people have their own sacred right to choose sovereignty [chaju]. Therefore, such a right should not be declared only at the high forum of the international arena, but should be respected by all politicians, diplomats, and functionaries of the press and publications who are working on the noble stage of the international community.

I think: The countries and political activists that think realistically and the objective mass communications organizations should not pay attention to finding the so-called crack [kyunyol] in the North Korean society, but ought to pay attention, under a changed environment, to seeking another appropriate alternative [taean] in such as way as to intensify and develop cooperation in various sectors, such as political dialogue on an equal footing, reciprocal economic cooperation, and multifaceted cultural exchange.

I am convinced that only this will bring positive results, will enhance the status and role of the DPRK in the international community, by achieving the reunification of the North and South peacefully and democratically.

Everybody knows that the DPRK regards as its guideline in its activities the chuche idea—created by Comrade Kim Il-song—which is the guiding idea for the socialist society centered on the popular masses.

Standing at the head [chindu] of the society is Comrade Kim Chong-il, who is enjoying the absolute trust [sinlloe] of all Korean people, while reliably succeeding to his cause.

Therefore, in the future, too, the DPRK will traverse the road, which it has already chosen, and will victoriously accomplish the work to create a more brilliant future under Comrade Kim Chong-il's leadership.

South 'Proudly', 'Warmly Admiring' Kim Chong-il

SK2608123294 Pyongyang Korean Central Broadcasting Network in Korean 2300 GMT 25 Aug 94

[Unattributed talk from the "Looking Up To the Great Sun" program: "The Future of the Fatherland and Nation Is Very Bright as We Have Kim Chong-il"]

[Excerpt] Today, the South Korean people show their deep pride in being Korean by upholding the dear leader Comrade Kim Chong-il as the great leader [yongdoja] and warmly admiring him.

Along with his coworkers, a worker at Seoul Station talked about the man-centered socialism in the northern half of the republic, proudly saying: General Kim Chong-il is the greatest in the world. Our people, who uphold the general, are the best. Because the general is always with us, our nation's dignity and bright future can be guaranteed.

Expressing sympathy with his remarks, one of his coworkers replied: Upholding General Kim Chong-il as the great sun is our nation's greatest dignity and pleasure. Because there is General Kim Chong-il, our nation's future is very bright.

A university professor in Pusan said the nation's destiny is related to the role of the leader [yongdoja], adding: As we cannot think of a flower garden without the sun, there is no prosperity in our country or bright future apart from the leader who will lead the nation. Because we uphold Mr. [sonsaeng] Kim Chong-il—whom all mankind admires—as the sagacious leader [yongmyonghan chidoja], how bright our country's future is!

The South Korean people's warm admiration for him reflects their great national dignity and pride to uphold the dear leader Comrade Kim Chong-il as the great leader [yongdoja], who further glorifies the man-centered socialism of our own style, making it possible for mankind to enjoy their true life on this land.

Showing his coworkers a novel entitled "A Lodestar In an Independent Era," a Seoul resident said: It is the best honor, happiness, and pride of our popular masses to uphold the sagacious Mr. Kim Chong-il as the nation's leader [chidoja]. Because he is with us, the day that 70 million fellow countrymen will cheer for reunification is being hastened.

An old man in Inchon stated that upholding Mr. Kim Chong-il as the leader [yongsu] of the nation is the happiest event in our nation, stressing: Because we uphold Mr. Kim Chong-il as another leader [yongsu] with the rising of the guiding star on Mt. Paektu, this is the greatest luck for our nation. Therefore, our country will reunify in the near future. The popular masses in the South, like those in the North, will be embraced in the bosom of Mr. Kim Chong-il in the near future in order to enjoy a happy life. Because of this greatest luck in the history of our nation, the Korean people's dignity will exist all over the world.

The warm voice of the people in the south admiring the dear leader Comrade Kim Chong-il is the South Korean people's hearts warming to him based on their firm faith that our nation's future is very bright because we uphold the dear leader Comrade Kim Chong-il as the leader [yongsu] of the nation and the lodestar of reunification.

The South Koreans have expressed their loyal hearts to the great leader [yongdoja]—the lofty expression of the most clear and patriotic sentiment of our nation—in their poem entitled "Looking Up To the Lodestar of the Nation." [passage omitted]

Kim Chong-il Sends Messages to Foreign Leaders

SK2608060894 Pyongyang KCNA in English 0417 GMT 26 Aug 94

[Text] Pyongyang, August 26 (KCNA)—The dear leader Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army, sent messages to Carlos Salinas De Gortari, president of the United States of Mexico, Godfrey Miyanda, vice-president of the Republic of Zambia, and Arsene Bongnessan Ye, chairman of the Organisation for People's Democracy-Labour Movement of Burkina Faso, in reply to their messages of condolence on the death of the great geader Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea.

Comrade Kim Chong-il in the reply messages expressed deep thanks to them for their messages of deep condolences on the death of President Kim Il-song.

Comrade Kim Chong-il sent a reply message to Salim Ahmed Salim, general secretary of the Organisation of African Unity.

Kim Chong-il Lauds Soldiers' Communist Virtues

SK2608062994 Pyongyang KCNA in English 0420 GMT 26 Aug 94

[Text] Pyongyang, August 26 (KCNA)—The great leader of our party and people Comrade Kim Chong-il, supreme commander of the Korean People's Army [KPA], sent thanks to the commmand of the Han Wonhwa unit and Kwak Yong-hwan, a soldier of the Paek Pyong-ki unit of the KPA for the communist virtues they had displayed.

When some 80 workers of a construction enterprise were in danger during their work for the swell of the water of a river in a downpour some time ago, the generals and officers of the Han Won-hwa unit displayed the lofty mental and moral traits of the revolutionary army in rescuing all of them through the display of creative ingenuity and self-sacrificing spirit.

Kwak Yong-hwan, a soldier of the Paek Pyong-ki unit, saved four soldiers and equipment with his body in an accident while on duty together with them early in April.

Foreign Newspapers Praise Kim Il-song

SK2608060194 Pyongyang KCNA in English 0414 GMT 26 Aug 94

[Text] Pyongyang, August 26 (KCNA)—The greatness of the great leader President Kim Il-song was praised by foreign newspapers.

The Nepalese paper DRISTI carried an article headlined "Let Us Follow Comrade Kim Il-song".

The paper said:

Comrade Kim Il-song devoted his whole life to the people. Therefore, all the policies and lines put forward by him were supported by the masses of the people.

He was a great man who accumulated experiences among the popular masses. But he never pushed himself to the foreground nor boasted of himself.

All the communists and followers of communism should learn from the noble communist method and style of work and popular virtues of Comrade Kim Il-song who devoted his whole life to the destiny of the nation and the happicess of the people.

The Zimbabwean paper PEOPLE'S VOICE in an article titled "Comrade Kim Il-song" said:

The great Comrade Kim Il-song wrote in his reminiscences "With the Century" that "believing in people as in heaven"—this was his own cherished view and favourite maxim. He stressed that the principle of juche on considering the popular masses as masters of revolution and construction and relying on their strength was the political faith he valued most and his province of life which made him devote his whole life to the people.

He always trusted and loved the people and found the key to all problems in the great strength of the peoqle.

The Nepalese magazine [words indistinct] in its July-August issue, the Nepalese paper DRISTI, the Costa Rican paper LIBERTAD and Radio Peru published articles praising the greatness of President Kim Il-song under the titles "Kim Il-song, the Star of the International Communist Movement," " Salute of chuche to comrade Kim Il-song" and so on.

Pyongyang Hanminjon Mission Visits Kim's Statue

SK2608063394 Pyongyang KCNA in English 0423 GMT 26 Aug 94

[Text] Pyongyang, August 26 (KCNA)—Chief Yi Chong-sang and members of the Pyongyang mission of the South Korean National Democratic Front (Hanminjon) on Thursday visited the statue of the great leader President Kim Il-song on Mansu Hill and laid a wreath before the statue on the 25th anniversary of the founding of Hanminjon.

They paid a silent tribute to the memory of President Kim Il-song who devoted his whole life to the freedom and independence of the nation and national reunification.

They expressed the resolution to achieve the reunification of the country in the 90s without fail by exerting themselves in the movement for independence, democracy and reunification, holding the dear leader Comrade

Kim Chong-il in high esteem as the leader of the nation and the lodestar of national reunification as intended by President Kim Il-song in his lifetime.

On the same day the members of the mission called at the Revolutionary Martyrs Cemetery on Mt. Taesong and laid bouquets and observed a moment's silence in memory of Comrade Kim Chong-suk, an indomitable communist revolutionary fighter and heroine of the anti-Japanese struggle.

Ministry Reports Increase in Electric Production

SK2608221594 Pyongyang KCNA in English 1503 GMT 26 Aug 94

[Text] Pyongyang, August 26 (KCNA)—The production of electric power is on the increase in Korea.

According to data available at the Ministry of Power Industry, the output in the recent ten days was 6.55 million kwh [kilowatt hours] more than in the first ten days of August.

Power stations have increased output by relying on abundant water resources. In the afore-said period, the Hochongang Power Station boosted power output 14 percent, the Wiwon Power Station 54 percent and the Taechon Power Station 28 percent.

Increased production has also been reported from the Pyongyang Thermal Power Complex, the Pukchang Thermal Power Complex, the East Pyongyang Thermal Power Plant, the Sunchon Thermal Power Plant, the Chongjin Thermal Power Plant and other thermal power plants.

South Korea

U.S.-North Expert Meetings Slated for 5-10 Sep

SK2708001794 Seoul YONHAP in English 0010 GMT 27 Aug 94

[Text] Washington, Aug. 26 (YONHAP)—Experts' meetings prior to the Sept. 23 resumption of the third round of U.S.-North Korea high-level talks are likely to be held between Sept. 5 and Sept. 10.

Diplomatic sources here said Friday that although no complete accord was reached on when to hold the experts' meetings at a U.S.- North Korea contact in New York Thursday, such sessions will probably take place from Sept. 5-10.

Four teams of experts are scheduled to deal with support for the North's switch to light-water reactors, the opening of liaison offices in Washington and Pyongyang, the treatment of spent nuclear fuel rods and the provision of alternative energy. But a formula on reducing the number of expert teams to three by having one team handle both the light-water reactor and alternative energy issues is also being discussed, according to the sources.

In the meantime, U.S. State Department Spokesman Mike McCurry said Friday that at the New York contact Thursday, the two countries failed to finalize the dates for the experts' meetings and will discuss the matter again after consulting with their respective governments.

U.S., North Negotiators Differ on Meetings Site

SK2708023294 Seoul YONHAP in English 0227 GMT 27 Aug 94

[Text] Seoul, Aug. 27 (YONHAP)—North Korea-U.S. negotiations on holding experts' meetings to resolve Pyongyang's nuclear problem have stumbled over choosing the site of the meetings, sources here said Saturday.

This hurdle may delay an on-site visit to check spent nuclear fuel rods laden with plutonium, since North Korea means to deny American experts' entry into Pyongyang, the sources said.

Washington had hoped the experts would be able to visit Pyongyang soon to prolong the rods' storage in a cooling pond so that they would not pose a radiation risk.

North Korea and the United States agreed at high-level talks earlier this month to convene experts' meetings to address this problem. The general understanding then was that a U.S.-led team would visit the North Korean nuclear site to treat the spent fuel rods.

But Pyongyang, at Thursday's working-level contact in New York, insisted that the experts' talks be held in the United States, either in Washington or in New York, while U.S. officials pushed for the North Korean capital.

The two sides have agreed to hold experts' talks on four issues—treatment of the rods, assistance with light-water reactors, provision of alternative energy and establishment of liaison offices in their respective capital cities.

North Korea is insisting on holding all four of the meetings in the United States, sources here said.

They believe Pyongyang is reluctant to allow the U.S. team to enter and possibly learn about its internal political situation.

North Korea has been without a president for over 50 days since its ruler of nearly 50 years, Kim Il-song, died suddenly last month. His son and heir-apparent Kim Chong-il has yet to assume power and rumors abound of an internal power struggle.

Envoy on DPRK Nuclear Transparency, Succession

SK2708013994 Seoul YONHAP in English 0131 GMT 27 Aug 94

[Text] Washington, Aug. 26 (YONHAP)—Ambassador to Washington Han Sung-su said Friday his government looks forward to playing a central role in carrying out a South Korean-type light- water nuclear reactor project in North Korea.

In a press conference at the National Press Building here, he said Seoul's assuming such a role would represent a crucial step toward inter-Korean exchanges and cooperation and would have long- term implications for both halves of the divided peninsula.

Touching on the North Korean nuclear row, Han emphasized that its resolution should be undertaken in a manner that does not adversely affect the peace process on the Korean peninsula and the prospects for constructive and meaningful inter-Korean dialogue.

Although Seoul's provision of light-water reactors would not be a perfect solution, he said, it could help ensure that the Korean peninsula moves closer to remaining nuclear free and that Pyongyang does not become a global merchant of nuclear-weapons material.

Pointing out that the North Korean nuclear problem is "as much an inter-Korean issue as a global nonproliferation issue," he stressed that it cannot be fully settled without direct dialogue between the South and North.

Han asserted that securing the transparency of North Korea's past, present and future nuclear activities is essential to resolving the nuclear issue. "We simply cannot accept as irreversible whatever North Korea's nuclear program may have produced in the past."

"I would like to emphasize that we consider transparency, which must include special inspections of North Korea's two undeclared nuclear waste sites at Yongbyon, an essential part of the nuclear settlement," he reiterated.

Han also said his government has a consistent policy toward North Korea while explaining that if Pyongyang dispels all suspicions about its nuclear weapons program, Seoul stands ready to help, starting with economic cooperation.

Maintaining that the North faces economic difficulties, diplomatic isolation and the gerontocracy of its existing power elite, Han noted that despite the delay in the power succession of Kim Chong-il, there are no indications that he is not in control of the Stalinist country.

Seoul: North 'Must Accept' ROK-Model Reactor

SK2908003394 Seoul YONHAP in English 0026 GMT 29 Aug 94

[Text] Seoul, Aug. 29 (YONHAP)—The South Korean Government made it clear Sunday [28 August] that Pyongyang must accept Seoul's nuclear reactor model or else find someone else to put up the money to build a new system.

South Korean officials, reacting to North Korea's statement that it would refuse the South's light-water reactor model, said Seoul cannot justify financing the reactor for Pyongyang unless it supplies the model itself.

The North Korean Central News Agency (KCNA) reported Saturday that Pyongyang has never entertained the idea of accepting the South Korean model and insisted the matter is exclusively up to North Korea-U.S. negotiations.

"We have already notified the United States that because of public sentiment, we cannot bear the financial burden unless the light-water reactor for North Korea is the South Korean version," a government official said. "It is an unchangeable position of ours that unless it's our model, the financial burden is too difficult."

"We believe that this position was clearly delivered to North Korea," he continued. "It's very likely that North Korea's statement Saturday was a strategic jab to break up Seoul-Washington cooperation and to gain the upper hand before the next high-level talks with the United States."

North's Refusal of ROK-Type Reactor Analyzed

SK2808112794 Seoul TONG-A ILBO in Korean 28 Aug 94 p 3

[By Kim Cha-su]

[Text] The resolution of the North Korean nuclear issue has become clouded as North Korea declared on 27 August that it would not accept an ROK-type light-water reactor, following its statement that it would not allow special inspections. If North Korea does not accept an ROK-type light-water reactor as it declared, the ROK and the United States will have to fundamentally modify their strategy for resolving the North Korean nuclear issue based on the presupposition that North Korea be provided with an ROK-type light- water reactor.

In particular, amid the people's strong assumption that a strange climate is being created in North Korea over the power succession, North Korea openly declared that it would not accept an ROK-type light-water reactor. Viewing this shows the possibility that North Korea's policy on the nuclear issue has become strong, and that the government is strained. North Korea has not clearly promised to accept an ROK-type light-water reactor. However, at the first session of the third round of high-level talks with the United States, which ended on 13 August, North Korea expressed its position that it would comply with the U.S. choice of any type of reactor.

Because North Korea expressed this position after the United States clearly explained the inevitability of accepting an ROK-type reactor, our government officials interpreted it as a virtual expression of North Korea's willingness to accept an ROK-type light- water reactor. It is true that government officials have frequently mentioned this issue to make North Korea's acceptance of an ROK-type reactor an established fact, under the situation that we have to share a considerable part of the expenditure for building the reactor. However, it is highly possible that the ROK Government's reiteration on the inevitability of the choice of an ROK-type reactor imposed a great burden on North Korea. North Korea's rejection of an ROK-type reactor under this situation might be an expression of its will to completely exclude the ROK Government from the course of resolving the nuclear issue, as well as a declaration of war implying its will to take strong measures, such as frontal confrontation, if it becomes impossible to exclude the ROK Government. In other words, it is possible that North Korea will turn down the demand for its acceptance of an ROK-type light-water reactor by using the used fuel rods removed from the five-megawatt reactor, which can be reprocessed, as a means of a threat.

This situational development is increasing the risk that the North Korean-U.S. agreement reached at the third round of their high-level talks will become meaningless. It seems, however, that North Korea is planning this strong policy, believing that the United States will not drive the situation to a catastrophe. North Korea seems to believe that the United States will not give up dialogue with North Korea because it is now in the course of negotiations with North Korea to prevent it from mass-producing nuclear weapons, considering this as the most imminent task.

It is also possible that North Korea's rejection of ROK-type light-water reactor is a strategy aimed at having an advantage in negotiations with the United States. This view is backed by North Korea's statement that the issue of providing support for North Korea's switch to a light-water reactor system is an issue between North Korea and the United States. It is possible that North Korea is trying to attain gains in other fields by insisting not to accept an ROK-type light-water reactor, although it may ultimately come to accept it. North Korea's real intention will be revealed clearly after the North Korean-U.S. experts meeting slated for early September and the third round of North Korean-U.S. talks are resumed on 23 September.

Under these circumstances, however, a series of unexpected strong North Korean policies under the tense situation of South-North relations predicts that the North Korean nuclear problem will not be solved easily.

Opposition Urges ROK-Model Reactor for DPRK

SK2908063494 Seoul YONHAP in English 0627 GMT 29 Aug 94

[Text] Seoul, Aug. 29 (YONHAP)—The main opposition Democratic Party (DP) Monday [29 August] urged the government to strive to provide North Korea with South Korean-model light-water nuclear reactors.

The opposition request followed the North's rejection over the weekend of the South Korean type of light-water reactor.

In an informal joint meeting of its Supreme Council members and National Assembly Foreign Affairs and Defense Committee members, the DP issued the call while noting Japan's move to supply the North with "Asian-model light-water reactors"—reputedly the Japanese version—in a bid to make economic inroads into North Korea.

In regard to guaranteeing the transparency of Pyongyang's past nuclear activities, those attending the meeting shared Foreign Minister Han Sung-chu's view on tackling the matter flexibly without being bound by the term "special inspections."

Claiming that a suppressive atmosphere has been whipped up by the authorities, taking advantage of Sogang University President Pak Hong's allegations about "chusapa" activities, the opposition party agreed to address the matter at the forthcoming National Assembly session and to demand the dismissal of law-enforcement officials.

Russian Official on Light-Water Reactor for North

SK2608144294 Seoul KBS-1 Radio Network in Korean 1406 GMT 26 Aug 94

[Text] Quoting remarks by a high-level Russian Foreign Ministry official, ITAR-TASS NEWS AGENCY reported today that North Korea wants a Russian-model light water reactor to be constructed.

The official said: North Korea has firmly maintained its position of being provided with a Russian-model light water reactor, as demanded in the past. Also, Russia supports the North Korean position and is ready to provide all facilities and technology to North Korea if necessary.

He pointed out: It seems that although the ROK wants to provide the technology for a light water reactor to the DPRK, North Korea will not allow ROK experts to participate in the construction of a power plant.

Russian Scholar on Introducing DPRK Reactor

SK2908152494 Seoul KBS-1 Radio Network in Korean 1500 GMT 29 Aug 94

[Report by YONHAP from Tokyo]

[Text] It seens that North Korea will introduce a Russian-made light-water reactor with Japanese funds, said (Marina Torikvenko), director of the Asia Center of the International Economic and Political Research Institute of Russia, who visited North Korea in early August following Kim Il-song's death.

Director (Torikvenko) said this in an interview with the NIHON KEIZAI SHIMBUN yesterday and added that North Korea will never agree to depending on the ROK for atomic energy, and that China is hoping for cooperation in the sectors other than the nuclear issue.

Reported North Attempt To Buy Plutonimum Viewed

SK2708100194 Seoul YONHAP in English 0941 GMT 27 Aug 94

[Text] Seoul, Aug. 27 (YONHAP)—The South Korean Government is trying through diplomatic channels to find out the truth of the possible involvement of North Korea in the attempted purchase of plutonium in Germany.

The German newspaper FRANKFURTER ALLGEMEINE reported Friday that a probe by German investigation authorities into an arms dealer caught last May with a certain amount of plutonium-239 in his possession, showed he had a letter of commission linking with North Korea.

"There is no way to know as yet if North Korea is concretely involved in the incident," said a Seoul government official.

"We are trying to find out the truth since a culprit in the attempt reportedly carried a North Korean letter of commission intended for the purchase of nuclear material."

Seoul would have to deal firmly with it if North Korea were actually found to have sought to purchase plutonium, the official added.

North Radio Confirms Anti-Kim Chong-il Leaflets

SK2708000194 Seoul KBS-1 Radio Network in Korean 2100 GMT 26 Aug 94

[YONHAP from Tokyo]

[Text] North Korea's Pyongyang Radio Pyongyang in Korean to South Korea [PKS] reported on 26 August that anti-Kim Chong-il leaflets had been distributed in Pyongyang, insisting that these leaflets were dispersed by the ROK's Agency for National Security Planning.

RADIO PRESS, a news agency in Tokyo that monitors communist radio, confirmed the PKS report and reported that PKS had not revealed the details of the leaflets.

The PKS report is North Korea's first official confirmation of the fact that anti-Kim Chong-il leaflets were distributed in Pyongyang.

Claims Seoul Responsible for Plot

SK2708010694 Seoul YONHAP in English 0059 GMT 27 Aug 94

[Text] Seoul, Aug. 27 (YONHAP)—North Korea insisted Friday the report that leaflets calling for the ouster of Kim Chong-il were distributed recently in the diplomatic quarter of Pyongyang was a plot concocted by South Korea, according to NAEWOE Press.

"Those said to be leaflets scattered in the diplomatic area of Pyongyang were a plot by the Agency for National Security Planning (NSP), which made the leaflets and then scattered them in the air," the official Pyongyang watcher quoted the North as saying in a commentary aired by Radio Pyongyang.

"The entire people of the North are integrated as one with the (North Korean Workers') Party as the center and all political rights and freedoms are completely guaranteed in the North," the commentary stressed. "There cannot exist and has never existed any leaflet or things like that in a socialist country."

Responding to remarks by President Kim Yong-sam that the leaflets could signal a meaningful movement within the Pyongyang regime, the commentary said, "The socio-political system and our-style socialism in the Northern part of the Republic (North Korea) are stable and consolidated."

Article on DPRK Power Succession, Leaflets

SK2708015194 Seoul THE KOREA HERALD in English 27 Aug 94 p 2

[By staff reporter Chon Si-yong]

[Text] What is going on in North Korea? Is Kim Chong-il, the designated leader and son of the late North Korean President Kim Il- song, in charge?

Correct answers to these puzzling questions are hard to come by because North Korea is one of the most secretive countries in the world.

A series of news reports, some of them confirmed and some not, and rumors about the situation in North Korea only add to the mystery there and South Korean officials seem to be engaged in a guessing game.

What is the Seoul government's interim conclusion in the game? Wait and see with discretion, according to top officials yesterday.

The officials say one thing clear at this time is that Kim Chong- il is ill.

There are also some abnormal events taking place in Pyongyang, but it is too early to conclude that the "Dear Leader" is having trouble achieving the first dynastic succession to power in a Communist country.

A top administration official said yesterday the Seoul government believes North Korea's Kim Chong-il is suffering from heart problems and diabetes.

The official, however, said that the government does not have any confirmed reports that Kim is facing serious challenges to his ascension to full leadership in the Communist country.

"Judging from the information we have gathered so far, it is reasonable to believe that Kim is suffering from such diseases as heart ailment and diabetes," the official said, requesting anonymity.

However, he said that it has yet to be confirmed how serious the health problems are.

"We are not certain whether the illness is serious enough to keep him from managing state affairs," he said.

The official said that the government does not know anything strange which would indicate that Kim's leadership is unstable.

"The delay in his assumption of the state presidency leads us to suspect that Kim has yet to gain a full control of the country," he said.

"At the same time, however, we have yet to be aware of any outstanding abnormal unusual happenings signifying instability of the Kim leadership."

The official said that the government, "through various channels," has confirmed the distribution of anti-Kim leaflets in Pyongyang last week but that it has no evidence that the incident is part of an organized and widespread anti-Kim movement.

Aides to South Korean President Kim Yong-sam also advise discretion in interpreting news reports and what they call "rumors" about the situation in North Korea.

"There are some events we have to take seriously, like the distribution of the anti-Kim Chong-il leaflets and the delay in the announcement of the formal leadership succession," an aide to President Kim said.

"But we should not be driven to believe that everything there is going wrong," said the Chongwadae [presidential offices] official.

He said that the North's official media may be over praising Kim Chong-il's leadership capabilities not because of any instability but because of the need to create "an atmosphere" conducive to his formal "crowning."

The official gave little credit to the remarks of Russian and Chinese officials hinting at a power struggle and other leadership problems in Pyongyang.

"I believe Russia does not have (any reliable) information on the North Korean leadership," he said, referring to a Russian official's recent remark that Kim Chong-il is locked in an internal power strife.

"On the part of China, they would have much more information (than any other country) on North Korea," he said, commenting on the remarks of Chinese Foreign Minister Qian Qichen.

The minister was quoted as saying that it is strange the North has not made a formal announcement on a new leadership.

"But China is not able to fully know what is going on inside the North Korean power structure, either," the Chongwadae official said.

North Official Denies Problems in Succession

SK2908013594 Seoul YONHAP in English 0125 GMT 29 Aug 94

[Text] Paris, Aug. 28 (YONHAP)—There are no problems in Kim Chong-il's succession to power and his health is good, a visiting senior North Korean official said here Sunday [28 August] afternoon.

Chang Ung, secretary-general of the North Korean Olympic Committee, categorically dismissed "as not true" Western press reports that Pyongyang's governing system is unstable following the death of President Kim Il-song.

"There is no problem whatsoever in Comrade Kim Chong-il's succession to power," Chang emphasized.

He made the remarks in a meeting with a group of South Korean correspondents in a conference room at La Defense Sunday afternoon. He came here to attend the 12th Olympic Congress, held to mark the centenary of the Olympic movement.

Chang said Kim Chong-il's assumption of power is being delayed because the mourning period for the late president is not over.

"People in the South may understand our tradition and way of thinking, but Western people cannot," he said. "This is why all sorts of speculation and wild rumors are flying."

Commenting on foreign press reports that the official mourning period would end Oct. 1, Chang said North Korea has not established a fixed timeframe.

"You can buy smiles with money or power but not weep," he said, indicating that the mourning atmosphere would continue for a considerably longer period of time.

Displaying rare open-mindedness and straightforwardness for a North Korean official, Chang said Kim Chong-il looked healthy when he last saw him recently. "He is still lively," he said.

Chang, a sportsman turned official, said political relations must first be improved if sports exchanges like the fielding of single inter-Korean teams at international competitions is to be realized between the two Koreas.

He listed "an unavoidable national event" (the death of Kim Il- song) as the reason for North Korea's cancellation of its planned hosting of the East Asia Games and failure to take part in the Hiroshima Asian Games.

Contrary to Chang's remarks, however, North Korea is widely known to be so economically strapped that it cannot spend large amounts of money on sports.

Saying there is a strong possibility that Taekwondo will be adopted as an official event at the 2000 Sydney Olympics, Chang said the existing divided Taekwondo organizations should be integrated before it is made an official Olympic sport.

In this connection, Chang said he understands the international Taekwondo Federation led by the pro-Pyongyang Choe Hong-hui had proposed the organization's merger with the World Taekwondo Federation headed by Kim Un-yong, an IOC [International Olympic Committee] vice president from South Korea.

Kim Un-yong's federation rejects the merger proposal on the ground that the pro-Pyongyang federation's influence in Taekwondo circles is negligible.

"In fact, North Korea is known to be lobbying the IOC hard to keep Taekwondo from being adopted as an Olympic event," a South Korean Taekwondo official said.

Chang also said Kim Yu-sun, North Korean ambassador to Romania, has resigned as an IOC member because he left the sports world.

Turning to reports that he is the likely successor to Kim Yu-sun as a North Korean IOC member, Chang said, "This is a matter to be decided by the IOC meeting. Lobbying does not necessarily give you what you want."

Kim Chong-il 'in Good Health'

SK2908004094 Seoul KBS-1 Radio Network in Korean 0005 GMT 29 Aug 94

[YONHAP from Paris]

[Text] Chang Ung, secretary general of North Korea's Olympic Committee, said there is nothing wrong with Kim Chong-il's power succession, and that he is in good health.

Secretary General Chang Ung, who is in Paris now to attend the 12th Olympic Session to mark the centenary anniversary of its formation, made this statement to South Korean reporters at the conference room at Lake (Bangse), stressing: Reports by the Western media that North Korea's power structure is unstable following Kim Il-song's death are totally groundless.

Appearance by DPRK Premier Ends 'Rumors'

SK2808070694 Seoul YONHAP in English 0656 GMT 28 Aug 94

[Text] Seoul, Aug.28 (YONHAP)— North Korean Premier Kang song-san attended an event Saturday [27 August] to commemorate the 20th anniversary of the making of a Kim Chong-il's literary work, according to the North's Korean Central News Agency (KCNA) quoted by NAEWOE Press.

The public appearance of Kang put an end to the prolonged rumors that he might have stepped down in the aftermath of the recent flight of Kang Myong-do, the North Korean premier's son-in-law, to the South.

The North's KCNA reported that Kang Song-san attended the ceremony at the Feb.8 Culture Hall in Pyongyang to commemorate the anniversary of the publication of Kim Chong-il's work titled "NOJAK" and called Kang Political Bureau member of the Central Committee of the North Korean Workers' Party and premier of the State Administration Council, according to NAEWOE.

Among those who attended the ceremony are Vice Premier and Minister of Foreign Affairs Kim Yong-nam, party Secretaries Kye Ung- tae, Han Song-yong, Choe Tae-bok, Kim Kuk-tae, Hwang Chang-yop, Kim Chung-nin, and Kim Yong-sun, Political Bureau alternate member Kim Chol-man, Chairman of the Supreme People's Assembly Yang Hyong-sop and Chairman of the State Planning Commission Hong Sok-hyong, according to the KCNA monitored by NAEWOE.

Presidential Secretaries on North's Human Rights

SK2908044894 Seoul YONHAP in English 0439 GMT 29 Aug 94

[Text] Seoul, Aug. 29 (YONHAP)—Senior presidential secretaries held a meeting Monday [29 August] morning to discuss the human rights situation in North Korea, Senior Press Secretary Chu Ton-sik said.

Chief Presidential Secretary Pak Kwan-yong presided over the meeting.

Concerned about serious human rights abuse in North Korea, they discussed what measures the government can take to improve the situation, details of which were disclosed last week at the National Assembly.

"However, we could not make any decision today," Chu said.

Rep. Sin Sang-u, chairman of the National Assembly Intelligence Committee, said last Friday after a secretive closed-door session with the director of the Agency for National Security Planning (NSP), Kim Tok, that the human rights situation in the North is serious.

Sin claimed that North Korean authorities conduct public executions as well as maintain separate detention camps for midgets, hunchbacks and handicapped people. Pyongyang even coerces the handicapped into practicing birth control to wipe out their genes.

Meanwhile, the secretaries exchanged views on the potential side effects of South Korean television broadcasting North Korean propaganda programs without any editing. Some secretaries were worried that such broadcasting may constitute indirect propaganda for the North Korean system.

Chu added that no briefing or discussion of countermeasures on North Korea's announcement that it would reject South Korean-style light-water reactors had taken place.

Government To Arrest, 'Sternly' Punish 'Chusapa'

SK2908051294 Seoul YONHAP in English 0506 GMT 29 Aug 94

[Text] Seoul, Aug. 29 (YONHAP)—The government vowed Monday [29 August] to uproot "chusapa" or followers of North Korea's chuche (self-reliance) ideology by "thoroughly ferreting out, arresting and sternly punishing the origins of leftist ideologies and wire-pullers."

Justice Minister Kim Tu-hui made the pledge in a report on chusapa activities and countermeasures against them delivered before a plenary session of the National Assembly Judiciary Committee.

Heavy penalties will be demanded for those who spread leftist ideologies, including chusapa and people acting behind the scenes, with a view to alienating them from society for a considerable period of time, Kim said.

Convicted leftists who fail to show signs of repentance will be denied privileges such as parole and amnesty "so as to break the vicious circle of their arrest and release due to political considerations," Kim added.

Lawmakers from both the ruling and opposition parties grilled the justice minister on the prosecution's investigation of chusapa activities since Sogang University President Pak Hong made a series of controversial remarks about them.

Pyongyang Intensifies Slander Against South

SK2708062794 Seoul YONHAP in English 0605 GMT 27 Aug 94

[Text] Seoul, Aug. 27 (YONHAP)—North Korea's intensified slander against the South—President Kim Yong-sam has even been described as a "drug addict and beast-like rascal"—is raising questions as to Pyongyang's real intentions and reasons for vilifying Seoul.

The North's actions not only run counter to the rapprochement that had come shortly before the death of Kim Il-song, but also contrast sharply with its hospitable attitude toward the United States at their recent talks in Geneva.

Indeed, the recent North Korean slander is replete with curses and foul language that is even baser than what vulgar people on the streets utter, government officials explain.

Radio Pyongyang, in a commentary Friday evening, denounced President Kim as a "drug addict. How can a man called a president act indecently without face and speak jargon irresponsibly. He is so pitiful and poor... We cannot attain national reconciliation, nor national unification, by letting Kim stay as he is..."

Earlier, the North's Central Broadcasting station poured harsh criticism on President Kim and the South Korean Government while claiming that Seoul's Ulchi Focus Lens exercise is an "actual practice for warfare."

On Aug. 19, Radio Pyongyang branded Kim an "immoral person" in a commentary entitled "Conspiracy Gambling by Those Pushed to the Edge of a Precipice."

Such direct slander of President Kim did not come all of a sudden: Pyongyang began to intensify its vilification of Seoul around July 15 when South Korea was experiencing internal conflict over how to handle the death of North Korean leader Kim Il-song.

But the previous denouncements took the form of indirect libel made through "ghost" organizations like Hanminjon (South Korean National Democratic Front) or an unnamed novelist residing in Seoul.

The latest verbal attacks by the North, however, are becoming more direct, government authorities point out.

Seoul government officials present their own analysis of the intensified North Korean slander, saying that Pyongyang is driving inter-Korean relations into a tense corner to find a breakthrough in its greatest difficulties over the death of Kim Il-song.

The North Koreans feel the necessity of emphasizing an outside threat to strengthen their own internal solidarity and, in this sense, South Korea is the "most appropriate potential enemy" in their eyes. This is particularly the case as the United States can no longer be regarded as the supposed enemy due to the U.S.-North Korean talks in Geneva.

National Unification Minister Yi Hong-ku told a meeting of journalists from the Kwanhun club on Friday that Pyongyang seems to have selected South Korea as a potential enemy to control its people in the current difficult situation.

Another opinion holds that the stepped-up slander is part of its strategy to break up the cooperative U.S.-South Korean relations.

There is also a theory that North Korea would adopt another strategy, completely excluding inter-Korean dialogue from the Washington-Pyongyang negotiations on the nuclear issue, while blaming the lack of improvement in inter-Korean relations on South Korean "insincerity."

Nevertheless, government officials feel that the North's attitude may change any time due to its unique political system allowing it to make a complete turnaround according to its needs, as was the case in its admission to the United Nations.

The officials say the reason why North Korea is engaging in such slander will come to light in the course of the high-level talks between Washington and Pyongyang and when Kim Chong-il finally succeeds to power.

Unification Minister Urges North To Seek Peace

SK2708030394 Seoul YONHAP in English 0255 GMT 27 Aug 94

[Text] Seoul, Aug. 27 (YONHAP)—If it is confirmed that North Korea has nuclear weapons, then the South Korean Government will have to prepare measures to ensure national security, Deputy Premier and Minister of the National Unification Board (NUB) Yi Hong-ku said Friday.

Speaking at a dinner meeting of the Kwanhun Club, a fraternity of senior journalists, Yi said, "If Pyongyang has nuclear weapons, the South-North joint declaration on denuclearization of the Korean peninsula will naturally be nullified. In that case, the government will come to work out countermeasures on a national- security level."

He pointed out that North Korea has gradually stepped up criticism of the South since the death of Kim Il-song early last month, and that such criticism contrasts with its efforts to build an atmosphere conducive to dialogue with the United States.

"The government will work to make North Korea clearly realize that without dialogue or consultation with Seoul, Pyongyang can never solve any important problems," Yi said.

Pyongyang and Washington held high-level talks in Geneva earlier this month and announced an "agreed statement," which said diplomatic missions would be established in each country after the nuclear problem was solved.

Yi stressed that the North should understand this is the most appropriate time to work for compromise and peace.

"Neither the international community, nor the United States, nor we can make all principles an object of compromise to maintain peace," he said, indicating that securing Pyongyang's nuclear transparency is a principle which cannot be compromised.

Touching on the suspicions surrounding the delay in Kim Chong- il's formal succession to power, the deputy prime minister said, "Judging from various information, although difficult to judge, Kim Chong-il's health does not seem to be very good. But he does not look as if he is having any big problems in his succession to power, for which he has prepared for the last 20 years," he speculated.

As for inter-Korean dialogue, he said that first of all, it is important for Seoul and Pyongyang to operate various joint committees in accordance with the South-North basic agreement and improve the atmosphere for reconciliation and cooperation.

Inter-Korean dialogue was abruptly suspended when North Korean President Kim Il-song died on July 8. The two sides had agreed to hold the first inter-Korean summit in history in late July.

Turning to ways to secure the funds necessary to support North Korea's switch from heavy-water reactors to light-water models, he said the people's agreement is needed.

"Since the support would require enormous funds, it is impossible for the government to push for such support without the agreement and support of the people. The government is studying ways to secure the funds from the general accounts or a special one," he added.

Interviewed on Policy Issues

SK2908123594 Seoul KBS-1 Radio Network in Korean 0325 GMT 29 Aug 94

[Interview with Yi Hong-ku, deputy prime minister and minister of the National Unification Board, by announcer Pak Chan-suk from the KBS studio in Seoul—live]

[Excerpts] [Pak Chan-suk] Thank you for coming to our studio despite your busy schedule.

[Yi Hong-ku] Thank you.

[Pak] You explained the reunification policy at the Kwanhun Club on 26 August. Right after that, North Korea refused ROK-model light-water reactors through a KCNA report on 27 August. Does this break the fundamental frame of the resolution of the North Korean nuclear issue?

[Yi] We have to wait and see. What the KCNA says is noteworthy because it is a state-run news agency. However, the issue was agreed upon during the U.S.-North Korea talks. We have to wait and see North Korea's position in the next round of talks. [passage omitted]

[Pak] If the light-water reactors are not ROK-model, we have no reason to pay a penny.

[Yi] As I have told the United States and international organizations, if the ROK people agree to share the huge amount of cost for North Korea's light-water reactors, it is not because North Korea is threatening us with nuclear weapons but because of our long-term view on the energy problem of the Korean peninsula in the 21st century. [passage omitted]

[Pak] Do you feel there are any differences in dealing with the reunification issue as a professor and as a policymaker?

[Yi] Yes, there are differences. In universities, people tend to have an abstract and ideal view. In the government, we have to handle daily matters concretely. [passage omitted]

[Pak] You were the minister of the National Unification Board during the Sixth Republic. What are the differences between reunification policies then and now?

[Yi] There are no significant differences. Our reunification policy has been considerably consistent. [passage omitted] However, there have been many changes in the international situation, namely the collapse of the Soviet Union and the unification of Germany. There are better conditions for reunification now. As President Kim Yong-sam reconfirmed during his Independence Day speech on 15 August, our policy of reunification through a national Commonwealth remains unchanged.

[Pak] Is there any differences between the national Commonwealth, which you personally drew up during the Sixth Republic, and the integrated reunification declared by President Kim during his Independence Day speech?

[Yi] The latter gives clearer limitations because we have more practical sense of reunification now. First of all, there should be a stage of exchange and cooperation, then, the South and the North form a reunified country after a stage of the alliance of two systems. It also provides a fundamental philosophy to the question as to what kind of reunified country do we want? Judging from the recent international and domestic trends, it should be a democratized country where human dignity and private ownership are guaranteed.

[Pak] Some people think the members of the Unification and Security Policy Coordinating Committee are not professional.

[Yi] As the person in charge, I humbly accept the concern of the people and media. The policy coordinating committee is being smoothly operated. In the past, people rarely saw the secretary general of Chongwadae [presidential offices], the director of the National Security Planning, and the foreign and defense ministers work so closely in policy-making. What is perceived as confusion outside the coordinating committee is actually the flexibility of policies. We have to maintain flexibility because the situation and options are very complicated. [passage omitted]

[Pak] Today, there was a news report that Japan will put aside the past nuclear activities of North Korea.

[Yi] That was a false report. The Japanese Government's reply to my inquiry was that the YOMIURI SHIMBUN report was wrong. Japan shares our position more than any other country in the world. It is of no less threat to Japan than to the ROK if North Korea has a single atomic bomb. [passage omitted]

[Pak] There are about 100 North Koreans defectors staying in the ROK. Not all of their defections were accepted. How would the government handle the situation, if all of the approximate 50,000 North Koreans escaped to China want to defect to South Korea?

[Yi] This issue exactly reflects that we are at a turning point. It is true that we had thought the reunification was far away and had concentrated more on the competition and confrontation between the South and the North. The changes during the past two to three years brought the reunification closer. It is time to conclude the legal aspects of the nationality issue. [passage omitted]

[Pak] Do you feel it is necessary to establish a department, maybe an immigration office, for these people?

[Yi] I and many other people feel the necessity. The National Assembly also discussed this issue over times. [passage omitted] I agree that there should be a department in charge of the operation of the national Commonwealth embracing all Koreans in five oceans and six continents. [passage omitted]

Maintaining 'Certain Distance' From U.S. Urged

SK2708081994 Seoul KYONGHYANG SINMUN in Korean 27 Aug 94 p 2

[Article by Yi Sung-chol from the "Reporter's Memo" column: "The Lack of Coordination Between the ROK and the United States Over North Korean-U.S. Talks"]

[Text] A working-level contact took place in the United States on 26 August to discuss the schedule of an expert-level meeting. On that day, the ROK Foreign Ministry did not comment on the contents of the contact but just said that "the contact was held."

The ministry said that "this is because a third party cannot disclose the contents of the contact between the United States and North Korea."

A relevant Foreign Ministry official's explanation seems to be very persuasive in view of the remarks themselves.

It is a violation of diplomatic practice for the third party to explain the content of the contact, even if the parties to the talks remain silent. However, we have no alternative but to discover a great trap laid before us when we think about the background of the remarks by those concerned officials.

Regarding North Korean-U.S. contacts as well as ROK-U.S. dialogue, the official said that "the close cooperation system with the United States will be damaged if the contents of the dialogue are disclosed."

Then, what is cooperation between the ROK and the United States?

Is the United States making every effort to maintain the cooperation system between the ROK and the United States as much as we are?

Anyway, the answer is negative.

The recent disputes between Chongwadae [presidential offices] and the Foreign Ministry over a special inspection originate from the U.S. double standard. On 13 August, immediately after attending the third round of North Korean-U.S. talks, U.S. Assistant Secretary of State Robert Gallucci, head of the U.S. delegation to the talks, said that "North Korea accepted in principle the special inspection."

Two days later, however, State Department spokesman Mike McCurry said that the "North Korean-U.S. agreement indicates that North Korea has the intention to implement the Nuclear Safeguard Accords of the International Atomic Energy Agency."

The ROK has firmly trusted in the U.S. will to confirm the nuclear transparency based on the principle of the so-called ROK-U.S. cooperation system. Therefore, the ROK could not but hesitate in confirming the nuclear transparency whenever the United States changed its remarks.

The government had raised its voice to support the U.S. move to impose sanctions on North Korea before former U.S. President Jimmy Carter visited North Korea in June. Whenever the United States changed its attitude, the government could not help but suddenly change its direction as well.

Because North Korea has persistently maintained its position to hold a dialogue with the United States regarding the nuclear issue, the position of South Korea—a direct party to the nuclear issue and a third party—is very limited. This is a bitter experience for us.

We believe that it is now necessary for us to maintain a certain distance from the United States, instead of sticking to the cooperation system with the United States. This reminds me of a young diplomat's remarks that "there is apparently the Pacific between the ROK and the United States."

We cannot help but maintain a certain distance from the current U.S. Administration, because it has no firm policy regarding important diplomatic issues—such as the North Korean nuclear issue, the Haitian issue, and the Cuban issue.

Unidentified U.S. Soldier Found Dead in Songtan

SK2808132094 Seoul KBS-1 Radio Network in Korean 1300 GMT 28 Aug 94

[Text] At around 1630 today [0730 GMT], a citizen found and reported to the police, an unidentified American soldier dead in a manhole in front of the Taepyongyang Inn in Sinjang 2-tong, Songtan, Kyonggi Province.

The police speculated: Unaware of the fact that the cover of the manhole had been removed as a result of the sudden heavy rain, the American soldier drowned in the manhole as he walked along the road.

U.S. Request To Buy Official Use Cars Denied

SK2908034594 Seoul HANGUK ILBO in Korean 29 Aug 94 p 2

[Text] It was learned on 28 August that the ROK Government told the United States that the controversial U.S. request for the ROK to purchase U.S.-made cars for government use, as well as other requests, were not matters for bilateral discussions between the two countries.

An ROK Government official stated: "The ROK Government delivered its reply to the 27 July letter from U.S. Trade Representative Mickey Kantor, who asked through the ROK Embassy in the United States that the ROK Government open its car market to the United States."

This official added: "The reply letter contains the government's firm position that such requests as the ROK to establish consumer interest offices and buy U.S.-manufactured cars for government use are not matters for bilateral discussion between the two countries."

Minister Optimistic About U.S. Car Imports

SK2908074894 Seoul YONHAP in English 0739 GMT 29 Aug 94

[Text] Seoul, Aug. 29 (YONHAP)—Trade, Industry and Energy Minister Kim Chol-su expressed optimism Monday that a solution can be found to the U.S. request that South Korea opens its market wider to American automobiles.

In view of past experience showing that the two countries' differences have been resolved satisfactorily, Kim said, the automobile issue should also be settled.

Kim made the remarks while delivering an address, "South Korea- United States relationship under a new trade order," over lunch at a general session of the American Chamber of Commerce in Seoul.

Thanks to Seoul's further market opening with respect to foreign investment and steps towards financial automation, Kim pointed out, trade and investment between the two countries have become active in recent months.

Kim then expressed a desire to reinforce Korea's industrial alliance with the United States by tying American state-of-the-art technology to South Korea's excellent manufacturing techniques so as to better handle the changing economic environment.

BOK Says Firms 'Rushing' To Invest in China

SK2708014894 Seoul THE KOREA TIMES in English 27 Aug 94 p 17

[Text] Korean enterprises are rushing to invest in China.

The Bank of Korea said yesterday Korean investment in China reached 1,388.6 million dollars in a total of 1,647 projects on a permitted basis at the end of July.

The figure represents 185.6 percent growth since July 1993 in terms of value and 114.6 percent growth in terms of number of projects.

Korea's investment in China has continued to increase since August 1992 when the two countries established diplomatic ties.

The July investment figure accounts for 15.8 percent of Korea's total foreign investment in terms of value and 36 percent in terms of number of projects.

The central bank attributed the sharp increase in the investment in China to the worsening investment climate in other Asian nations including Indonesia.

it also said Korean firms had become reluctant to increase investment in other Asian nations because there are already a large number of Korean firms competing with each other.

At the same time, they are finding China more and more attractive because of its great growth potential and very cheap labor.

Actual investment by Korean firms amounted to 765.8 million dollars in 1,102 projects at the end of July, up 169 percent over the year before in value and 175 percent in terms of number of projects.

This accounts for 11.9 percent of total Korea investment actually undertaken in foreign nations in terms of value and 31.6 percent in terms of number of projects.

By comparison, Korean firms had investments in China in 269 projects worth 222 million dollars in 1992 on a permitted basis.

Of Korea's investment in the communist nation at the end of July, manufacturing firms accounted for a total 1,464 projects worth 1,268 million dollars or 91.3 percent.

The average investment amount per company in China was 840,000 dollars, lower than the average 1.9 million dollars invested abroad.

Large investments of more than 500 million dollars numbered only 50 and 83.8 percent of the Chinese investment was valued at less than 100 million dollars, the central bank said.

Meanwhile, total Korean investment in foreign nations grew by 1,035 million dollars during the first seven months of the year in terms of permits, up 111.2 percent over the year before.

The number of projects grew by 629 during the seven months to July, up 120 percent over the year earlier.

The outstanding total permitted foreign investment by Korean firms reached 8,799.5 million dollars in 4,573 projects at the end of July.

The actual outstanding investment overseas amounted to 6,447.8 million dollars in 3,486 projects at the end of July.

Businesses Extend Service Networks in China

SK2708015694 Seoul THE KOREA HERALD in English 27 Aug 94 p 8

[Text] The country's auto makers and electronics firms are trying to establish extensive after-sales service networks in China to improve their long-term image in the world's largest market, industry sources said yesterday.

Kia Motors Corp. plans to set up nine service centers in Yantai and Qingdao in Shandong Province, Guangzhou City in Guangdong Province, Dalian and Shenyang in Liaoning Province, and Yanji and Changchun in Jilin Province by the end of September, according to the sources.

Kia established a technology training center in Yanbian in 1992.

The country's second largest carmaker will also open additional service centers in Beijing and Shanghai next year while planning to expand its after-sales service network to the inner parts of China including Wuhan, Hubei Province, and Nanjing, Jiangsu Province, in 1996, the source said.

In addition, Kia plans to set up parts storage centers in several Chinese cities.

Kia is considering building training centers for automobile mechanics in China while sending Korean mechanics to the country, according to the source.

Goldstar Co., which set up after-sales service centers in Beijing and Yanji City, Jilin Province, in September last year and in Shanghai and Guangzhou last May, plans to open service centers in Chengdu City, Sichuan Province, and Shenyang City, Liaoning Province, by year-end, said the sources.

Hyundai Motor Co., the nation's biggest automaker, has already built up an extensive service center network covering 22 cities across China.

Hyundai plans to increase the number of parts supply depots and maintenance centers in China in preparation for a rise in exports of Hyundai cars to China and the proposed establishment of joint-venture factories there, said the sources.

Samsung Electronics Co., which has six service centers in China including facilities in Beijing and Shanghai, wants to raise the number to 40 by 1996.

Samsung intends to raise its advertising expenditure in China to over 3 billion won this year from last year's 1.5 billion won in an effort to improve its image in China, which boasts the world's largest potential purchasing power, the sources noted.

Seoul, Canada Agree To Open Investment Climate

SK2708013394 Seoul THE KOREA TIMES in English 27 Aug 94 p 16

[Text] Korea and Canadian businessmen yesterday recognized that the signing of the Uruguay Round of the

General Agreement on Tariffs and Trade would give "positive impetus" to bilateral commercial relations.

In a joint statement issued at the end of a two-day meeting in Alberta, Canada, they underscored the importance of all contracting parties translating the agreed deal into action expeditiously and in a manner consistent with the spirit and intent of the Marrakesh Agreement.

"Both sides agreed that the international trading system is strongest when it is driven from a rules-based set of principles rather than from the unilateral actions of individual members," aid the 14-point statement made available by the Federation of Korean Industries which organized Korean participation.

Cho Yang-ho, president of Korean Air, led the Korean mission in his capacity as chairman of the Korea-Canada Business Council. His Canadian counterpart was Keith Burrows, chairman of the Canada-Korea Business Council and president of Bristol Aerospace.

The two sides agreed that the future growth and stability of bilateral commercial relations is directly related to the enhancement of an open and predictable trade and investment environment predicated on the principles of "national treatment, non-discrimination and transparency."

Unusually turning their eyes to small and medium companies, the meeting highlighted the importance of supporting them in both countries in their search for partners as well as market and investment opportunities.

It called for a private sector initiative to improve the delivery of "credible, timely, company-specific and cost-effective information on market intelligence and business opportunities."

In detail, it called on the respective governments to explore the feasibility of establishing a "Korea House" in Toronto and a "Canada House" in Seoul to provide trade show space, a limited number of seminar rooms and executive office facilities available and affordable to small firms in the foreign marketplace.

"In support of the small and medium-sized business community," the statement said, "the meeting also emphasized the need to improve the understanding of the sources of financial support available within the region; the understanding of the do's and don't's of doing business in Korea and Canada; and the advantages to small business of 'networking'."

The 12th joint meeting of the councils focused on areas of mutual interest in the expanding commercial relationship between the two countries, in particular exploring the opportunity for greater bilateral cooperation in the areas of high technology, aviation and tourism.

The next meeting will be held in Korea in May next year in time with the staging of "Techomart '95," an international exhibition scheduled for that month here.

Tariffs Expected To Rise on Agriculture Products

SK2708013194 Seoul THE KOREA TIMES in English 27 Aug 94 p 1

[Text] A total of 111 agricultural products, including barley, potatoes and corns, will be subject to "special tariffication" probably from next year when imports of farm products are likely to increase sharply with the settlement of the Uruguay Round of multilateral trade negotiations.

The rise in tariff rates is designed to protect farmers from foreign competition.

The Ministry of Finance yesterday said it will invoke the "special safeguard code" in the Uruguay Round in such a way as prices of foreign imports stay on par with Korean goods.

For example, the government will collect 400 won in tariffs when the domestic and foreign prices for each of the 111 farming products is 500 won and 100 won, respectively, a ministry official said.

The government will also be able to raise the tariff rate by 30 percent additionally when imports of the foreign products rise too suddenly to the disadvantage of local farmers.

It said Korea committed itself to important 111 foreign agricultural products, including sweet potato, corn and barley in the Uruguay Round negotiations last year. But Korea will be able to levy high tariffs, equal to the price difference with Korean goods, on foreign products.

Tariff rates of 284 percent to 675 percent will be applied to the 111 products, it said.

When imports of the foreign agricultural items rise suddenly or when foreign prices fall, the government will be empowered to increase the tariff rates by 30 percent additionally, the ministry said.

Korea has regulated or banned their imports although the tariff rates of 5-30 percent have been applied. But in the Uruguay Round negotiations last year, Seoul agreed to lift the import restrictions on the 111 farming products on condition that the tariff rates of the price difference between home and abroad, often called tariff equivalents, would be levied on foreign imports.

In addition, Seoul will levy tariff rates of one third of the price differences on 79 farm products, including beef, butter, pepper, onions, garlic, and chestnuts.

Under the so-called ceiling binding system, tariff rates, equal to 33 percent of the price differences, will be applied to 79 other farming, fisheries and livestock products.

The ministry said it has worked out a revision to the Customs Act and plans to tender it at the plenary session of the National Assembly for approval.

Brunei, Malaysia & Singapore

Malaysia

Home Ministry Spokesman on Official al-Arqam Ban

BK2608140894 Hong Kong AFP in English 1027 GMT 26 Aug 94

[Text] Kuala Lumpur, Aug 26 (AFP)—The Malaysian Government Friday officially outlawed the messianic Islamic sect al-Arqam as police stepped up a crackdown and detained scores of its followers and sympathisers.

"The declaration branding al-Arqam unlawful has been gazetted and comes into effect today. People are advised to disassociate with the group in whatsoever way," said Abdul Rahim Din, the secretary-general of the Home Ministry.

In a statement, he said Prime Minister Mahathir Mohamad, also home minister, had exercised powers under the Societies Act of 1966 to outlaw the sect after an investigation showed it could threaten security and disunite Moslems.

The ban followed the August 5 ruling by the National (Fatwa) Council of Islamic Elders banning al-Arqam activities and simultaneous moves by the Islamic councils of Malaysia's 13 states to outlaw the sect.

"The Home Ministry's declaration differs from the ban by the various states which comes under the respective state Islamic administration laws," Rahim explained.

As the declaration was announced, at least 20 al-Arqam followers and sympathisers who gathered outside a police station in Damansara in the suburbs of Kuala Lumpur to file police reports against the authorities for defamation were packed into a police van, an al-Arqam spokesman said.

The spokesman said the men had wanted to file reports against the Inspector-General of Police for smearing the group's image.

"We see this as a possible start to a massive crackdown on our movement," said the spokesman. But Rahim declared that the government had outlawed the group after an exhaustive probe into its beginnings.

The al-Arqam, founded in 1968 by the elusive Ashaari Muhammad, now 57 and living in self-imposed exile in Thailand, claims to have 100,000 members and supporters in Malaysia as well as several hundreds in 15 countries.

It has since blossomed into a powerful and wealthy missionary group.

Ashaari, who has four wives and 36 children, strongly encourages his followers to practise polygamy.

Mahathir had accused the group Monday of practising sex slavery and sanctioning prostitution, prompting the sect's women members to file police reports against him for defamation. Some 106 followers were roped in by police when they went to lodge the police reports.

The detention had sparked rumours of racial riots in the stockbroking community of both Malaysia and Singapore, which brokers said partly dented investor sentiment.

Radio Cites Mahathir Comments

BK2908081194 Kuala Lumpur Voice of Malaysia in English 0600 GMT 29 Aug 94

[Text] Al-Arqam chief Ashaari Muhammed will be questioned by the police if he returns to Malaysia on whether he wants to continue or stop his deviationist teachings. Datuk Sri Dr. Mahathir Mohamed said if he insists by claiming he has the virtues of God and holds regular conversations with the Prophet, the government will take action according to the laws of the country.

The prime minister told newsmen this after previewing the third ASEAN show jumping competition in Genting Highlands near Kuala Lumpur. The Home Ministry declared al-Arqam unlawful on Friday under the Societies Act 1956.

Datuk Sri Dr. Mahathir said it would take a long time to rehabilitate al-Arqam followers as it is difficult to change a person's religious beliefs. He added the government will also inform the public on the reasons for action against the group so that they will not be confused by certain people. There are already persons going to the villages to say the government is preventing the spread of Islamic missionary work. The prime minister said the allegation is untrue. The government only seeks to curb the deviationist teachings of Ashaari.

Japanese Prime Minister on Official Visit

Arrives in Kuala Lumpur

OW2608110894 Tokyo KYODO in English 1052 GMT 26 Aug 94

[By Takehiko Kajita]

[Excerpt] Kuala Lumpur, Aug. 26 KYODO—Japanese Prime Minister Tomiichi Murayama arrived in Malaysia on Friday to begin a three-day official visit, the third leg of his eight-day trip to four Southeast Asian countries. He arrived on special aircraft at Subang international airport on the outskirts of Kuala Lumpur after a visit to Vietnam. He earlier went to the Philippines and will leave for Singapore Sunday.

Murayama is scheduled to hold talks with Malaysian Prime Minister Mahathir Mohamed on Saturday as well as have an audience with Malaysian King Ja'afar ibni Abdul Rahman [title as received]. He will also be accorded a red-carpet welcome at parliament house and meet members of the Japanese community in Malaysia on Saturday.

Mahathir has said he intends to discuss with Murayama issues such as the appreciating yen, speeding up technology transfers, obtaining new low-interest loans and rectifying the 6.4 billion dollar trade imbalance with Japan. Regarding his pet proposal for an East Asia Economic Caucus (EAEC), which Japan has yet to back, Mahathir said he hopes to discuss caucus but only if Murayama raises the matter. [passage omitted]

Met by Foreign Minister

BK2608140594 Kuala Lumpur Radio Malaysia Network in English 1300 GMT 26 Aug 94

[Text] Japanese Prime Minister Tomiichi Murayama has arrived in Kuala Lumpur for a three-day official visit to foster bilateral ties. He was met on arrival at the airport by Foreign Minister Datuk Abdullah Ahmad Badawi. Deputy Energy, Telecommunications and Posts Minister Datuk Tajol Rosli is the minister in attendance.

Murayama is on the third leg of a tour of four Southeast Asian nations, including the Philippines, Vietnam, and Singapore. The Japanese leader will be given an official welcome at Parliament Square tomorrow before he begins talks with Prime Minister Datuk Sri Dr. Mahathir Mohamed.

Murayama is accompanied by his daughter, Yuri Nakahara, and a 62-member delegation.

Vows To Consider EAEC Proposal

OW2708043794 Tokyo KYODO in English 0408 GMT 27 Aug 94

[Text] Kuala Lumpur, Aug. 27 KYODO—Prime Minister Tomiichi Murayama on Saturday [27 August] pledged in a meeting with Malaysian Prime Minister Mahathir Mohamed to give consideration to Mahathir's pet proposal for an East Asia Economic Caucus (EAEC), but did not lend clear support to the idea, Japanese officials said.

In the meeting held at the prime minister's residence, Mahathir explained his idea for the caucus and sought solid support from Japan. But Murayama responded only by saying, "I understand your idea. I will give it consideration," the officials briefing reporters said.

Japan has been cautious about the proposal due mainly to the opposition of the United States, which views such a forum as a potential trade bloc.

Mahathir also urged Murayama to boost Japanese investment in high-tech industries in his country, which is undergoing vigorous economic expansion.

The Malaysian premier told Murayama that the recent upswing in the yen has made the country's debt burden from yen loans much heavier. Murayama reportedly said his government will consider measures to ease the burden.

Murayama arrived in Malaysia Friday for a three-day visit, the third leg of his eight-day trip to four Southeast Asian countries. After leaving Malaysia, he will visit Singapore before returning to Japan.

In response to Mahathir's pitch for the EAEC proposal, Murayama said it is important to win the understanding and support of countries concerned, the officials said, suggesting the need to persuade the U.S. to drop its objection before the idea becomes a reality.

On japan's World War II responsibilities, Mahathir told Murayama he cannot understand why Tokyo continues to apologize for its aggression toward its Asian neighbors, they said.

The Malaysian leader also said Japan should become a permanent member of the U.N. Security Council and play a role in ensuring peace in Asia, the officials said.

Murayama invited Mahathir to make an official visit to Japan next year, they added.

Discusses EAEC With Mahathir

OW2708074094 Tokyo KYODO in English 0710 GMT 27 Aug 94

[By Takehiko Kajita]

[Text] Kuala Lumpur, Aug. 27 KYODO—Japanese Prime Minister Tomiichi Murayama assured Malaysian Prime Minister Mahathir Mohamed on Saturday that Japan will mull the idea of creating an East Asia Economic Caucus (EAEC), Japanese officials said.

Mahathir explained in detail about his pet proposal at a two-hour meeting with Murayama, who replied, "we will give further consideration to the idea based on your accounts," according to the officials.

Murayama, who arrived in Kuala Lumpur on Friday on the third leg of his four-nation Southeast Asia swing, also cited the need to win full understanding and blessing from nations concerned before establishing such a body, the officials said.

Mahathir reportedly contended the EAEC is intended to allow discussions on issues of mutual concern among countries in East Asia and not to create a trading bloc or a regional grouping that would slam the door on nations outside the region, they said.

Mahathir floated the idea of launching the EAEC in late 1990. The United States has been opposed to the proposed group, arguing that the EAEC could emerge as an economic bloc excluding the U.S.

The EAEC is intended to include China, Hong Kong, Japan, South Korea, Taiwan, and Malaysia's fellow members of the Association of Southeast Asian Nations

(ASEAN) that also groups Brunei, Indonesia, the Philippines, Singapore and Thailand.

Murayama, Japan's first socialist premier in nearly five decades, earlier visited the Philippines and Vietnam and will make the last stop of his tour in Singapore from Sunday through Tuesday.

The Japanese leader welcomed Malaysia's "look east" policy of trying to learn from Japan's modernization, according to the officials.

During the talks with Murayama, Mahathir said, "this is an important policy because it has in many ways helped Malaysia in its development, and we plan to continue with this policy," Foreign Minister Abdullah Badawi told reporters.

In response to Mahathir's call for the establishment of a technology center in Malaysia, Murayama reportedly promised Tokyo will consider the proposal from the standpoint of helping Malaysia foster its high-tech industry.

Mahathir expressed worry about the skyrocketing value of the yen, which makes it difficult for Malaysia to repay its yen loans.

"I hope Japan will consider how we can resolve this problem," Abdullah quoted the premier as telling his Japanese counterpart. "It's a burden for us to pay back the debt which keeps rising."

Stating that the current yen-dollar exchange rate is not necessarily favorable to the Japanese economy either, Murayama vowed efforts to stabilize the yen's value in coordination with countries concerned, Japanese officials said.

To help slash Malaysia's growing trade deficit with Japan, Mahathir said he hoped Japanese firms will transfer parts-making facilities to Malaysia and that Japan will import more manufactured products, the officials said.

Murayama briefed Mahathir on a planned dispatch of a mission to Malaysia and the Philippines in October to encourage exports to Japan, they said.

The fact-finding mission will be jointly sent by the Japan Chamber of Commerce and Industry and the governmental Japan External Trade Organization from Oct. 7-14.

On Japan's responsibility for atrocities it committed in Asia during World War II, Mahathir said Japan should not be obsessed with its past misdeeds, the officials said.

The premier also reportedly threw full weight behind Japan becoming a permanent member of the UN Security Council, saying he wants Japan to get the status and assume responsibilities for ensuring peace and stability in Asia.

According to the officials, however, Murayama showed no reaction to Mahathir's call.

The Japanese leader invited Mahathir to pay an official visit to Japan next year, the officials said, adding Mahathir accepted the offer in principle.

As part of Tokyo's efforts to promote bilateral cultural exchanges, Murayama pledged to provide Malaysia's Pahan State Museum with equipment worth some 40 million yen.

He also promised Tokyo will relay to Malaysia how it will deal with Mahathir's demand for an increase in direct air links between the two countries, the officials said.

Touching on Japan-U.S. negotiations to set up a new framework for bilateral trade, Mahathir expressed his opposition to a U.S. demand for numerical targets to be set to measure progress in Japan's efforts to open up its markets to foreign competition.

Badawi: Murayama 'Understands' EAEC

BK2708100694 Kuala Lumpur Voice of Malaysia in English 0800 GMT 27 Aug 94

[Text] Japanese Prime Minister Tomiichi Murayama will consider the proposal to set up the East Asia Economic Caucus, EAEC, and urged other countries to support the EAEC.

Foreign Minister Datuk Abdullah Ahmad Badawi told the news conference that Murayama disclosed this at bilateral talks with Prime Minister Datuk Sri Dr. Mahathir Mohamed at the Prime Minister's Department in Kuala Lumpur.

Datuk Abdullah told newsmen at Wisma Putera [Ministry of Foreign Affairs] that the Japanese premier now understood the EAEC concept after he was briefed by Datuk Sri Dr. Mahathir.

Datuk Abdullah added Murayama said he now understands the EAEC better and said that (?other) countries should support.

Murayama arrived in Kuala Lumpur yesterday for a three-day visit to Malaysia.

Discusses APEC With Mahathir

BK2708143994 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 27 Aug 94

[Excerpts] Prime Minister Datuk Sri Dr. Mahathir Mohamed said that Japan will be chairing an Asia-Pacific Economic Cooperation (APEC) forum next year. It is now waiting for the consensus of all member countries to host the formal economic summit.

Kishichiro Amae, Japanese Foreign Ministry deputy director general of public relations, discussed the meeting between Tomiichi Murayama and Dr. Mahathir in Kuala Lumpur and said the Malaysian leader told Murayama that Malaysia will continue with its Look East Policy and requested Japan to step up its cooperation in the implementation of the policy. [passage omitted]

Mr. Amae also said the two leaders discussed issues on bilateral trade and the value of the yen currency. Murayama assured Dr. Mahathir that his government is making efforts to stabilize the currency and admitted that the high value of the yen is not really a good thing for Japan.

Views Peacekeeping With Mahathir

OW2708140994 Tokyo KYODO in English 1346 GMT 27 Aug 94

[By Takehiko Kajita]

[Text] Kuala Lumpur, Aug. 27 KYODO—Prime Minister Mahathir Mohamed on Saturday [27 August] urged Japan as a key member of the global community to prepare to play a military role in UN peacekeeping efforts.

"We believe that Japan as a major global economic power should assume a greater international role in the maintenance of peace and security within an improved UN system," Mahathir said in his speech at a banquet honoring visiting Japanese Prime Minister Tomiichi Murayama.

"And of course, as a major player in the international arena, Japan must be prepared for peacekeeping duties directly," he said.

Under its 1992 peacekeeping cooperation law, Japan has been engaging in UN-sponsored peacekeeping activities abroad. However, it has strictly limited its peacekeeping duties to a nonmilitary role, such as cease-fire monitoring, since its pacifist constitution bars the use of force as a means of resolving international disputes.

At the dinner party held at his official residence, Mahathir also renewed his call for Japan's participation in a proposed East Asian Economic Caucus (EAEC).

Murayama, who arrived here Thursday on the third leg of a swing through four Southeast Asian nations, said in his speech Tokyo believes the establishment of such a group should be based on the understanding and support of all countries concerned.

"While we consider it necessary to enhance the understanding and support of the countries concerned, we will seriously consider this proposal further," he said.

The idea of launching the EAEC was originally floated by the Malaysian premier in late 1990 and is now a proposal of the Association of Southeast Asian Nations (ASEAN).

The proposed group is intended to include China, Hong Kong, Japan, South Korea, Taiwan and Malaysia's fellow ASEAN members—Brunei, Indonesia, the Philippines, Singapore and Thailand.

Some countries, especially the United States, have been opposed to the idea, arguing the EAEC could emerge as a trading bloc excluding the U.S.

Murayama's eight-day Asian tour has already taken him to the Philippines and Vietnam, and he will make a final stop in Singapore before returning to Japan on Tuesday.

Murayama, who took the helm of government in late June as Japan's first socialist premier in 47 years, displayed no reaction to Mahathir's demand for Japan's future military role in UN-sanctioned peacekeeping missions.

Earlier Saturday, the Japanese leader conferred with Mahathir for more than two hours after receiving an official welcome at Parliament Square.

Murayama welcomed Malaysia's "look east" policy of trying to learn from Japan's modernization, Japanese officials said.

"This is an important policy because it has in many ways helped Malaysia in its development, and we plan to continue with this policy," Foreign Minister Abdullah Badawi quoted Mahathir as saying in his talks with Murayama.

Mahathir expressed misgivings about the yen's surge against the U.S. dollar, which makes it difficult for Malaysia to repay its yen loans.

"I hope Japan will consider how we can resolve this problem," Abdullah quoted the premier as saying.

Stating that the current yen-dollar exchange rate is not necessarily favorable to the Japanese economy either, Murayama vowed efforts to stabilize the yen's value in coordination with countries concerned, the officials said.

On Japan's responsibilities for atrocities it committed in Asia before and during World War II, Mahathir said Japan should not be obsessed with its past wrongs, they said.

Mahathir also threw full support behind Japan's quest to become a permanent member of the UN Security Council, saying he wants Japan to acquire the status and assume responsibilities for ensuring peace and stability in Asia.

Murayama invited Mahathir to pay an official visit to Japan next year, the officials said, adding Mahathir accepted the offer in principle.

As part of Tokyo's efforts to promote bilateral cultural exchanges, Murayama pledged to provide Malaysia's Pahan State Museum with equipment worth some 40 million yen.

He also promised Tokyo will relay to Malaysia how it will deal with Mahathir's demand for an increase in direct air links between the two countries.

On Japan-U.S. negotiations to set up a new framework for bilateral trade, Mahathir expressed his objection to a U.S. demand for numerical targets to gauge progress in Japan's efforts to widen access of foreign goods to its markets.

Also Saturday, the Japanese leader had an audience with King Ja'afar ibn Abdul Rahman at the Istana Negara Palace.

During the 30-minute encounter with the king, Murayama expressed hope that Japan and Malaysia will work together to ensure peace and stability in Asia and throughout the world, and to enjoy closer bilateral ties, the officials said.

While thanking Murayama for Japan's economic cooperation with Malaysia, the king said further progress in bilateral ties through Japanese assistance will benefit both countries, they said.

Views EAEC, Leaves for Singapore

BK2808102594 Kuala Lumpur Voice of Malaysia in English 0600 GMT 28 Aug 94

[Text] Prime Minister Datuk Sri Dr. Mahathir Mohamed said Japan's participation in the East Asian Economic Caucus, EAEC, will contribute greater dynamism to the region's economic development. He hoped Japan, being a natural member of the region, will see the benefits of the EAEC. He said in an attempt to halt the trend toward exclusive economic grouping, ASEAN has adopted the concept of EAEC, which will promote open regionalism and the multilateral trading system.

Datuk Sri Dr. Mahathir was speaking at a dinner for Japanese Prime Minister Tomiichi Murayama at his Sri Perdana official residence. Mr. Murayama arrived in Kuala Lumpur on Friday for a three-day visit to Malaysia as part of his Southeast Asian tour. Datuk Sri Dr. Mahathir said the bilateral relations between Malaysia and Japan have greatly enhanced the Japanese trade and investment in Malaysia, topping foreign investment in the country. Malaysians, he said, are ready to benefit more directly from the presence of Japanese investments in technology transfer, management training, and technical skills. He said after many years of collaboration, Malaysia now seeks a real economic partnership with Japan, where benefits are equally shared. He said Malaysia welcomes Japan's aspiration to play an active role in the international community as a nation of peace.

In his reply, the Japanese prime minister said Japan will seriously consider the East Asian Economic Caucus, EAEC. He said Japan will consider the proposal bearing fully in mind on Datuk Sri Dr. Mahathir's elaboration on the EAEC. Murayama said he had a precious opportunity to listen to Datuk Sri Dr. Mahathir's views on the EAEC during their talks. He believed Japan and Malaysia could join hands in the pursuit of its common objective and consider it important to strengthen bilateral cooperation in this regard. Murayama added Japan attaches particular importance to its relations with Asian countries with dialogues and cooperation remaining as one of the [words indistinct] of Japan's diplomacy.

Japanese Prime Minister Murayama left for Singapore today after a three-day official visit to Malaysia. Murayama, who is accompanied by his daughter Yuri Nakahara and a 62-member delegation, was sent off at the airport by Foreign Minister Datuk Abdullah Haji Ahmad Badawi and Deputy Energy, Telecommunications, and Posts Minister Datuk Mohamed Tajol Rosli Ghazali, who was the minister in attendance.

Murayama and Prime Minister Dr. Mahathir had discussed a host of regional and international issues, including the Malaysia-initiated East Asian Economic Caucus, EAEC, and trade relations between the two countries. Datuk Sri Dr. Mahathir is reported to have told Japan to stop harping on its wartime past and instead assist the other Southeast Asian countries—Vietnam, Cambodia, Laos, and Myanmar [Burma]—by creating more jobs through investment. Singapore is the last leg of Murayama's tour of four Southeast Asian countries. He has visited the Philippines and Vietnam.

Deputy Premier Welcomes Indonesia's Habibie

BK2608014894 Kuala Lumpur NEW STRAITS TIMES in English 24 Aug 94 p 2

[Text] Kuala Lumpur, Tues.—Indonesia and Malaysia should try not to be overdependent on world economic powers like the United States and Japan, Indonesian Minister for Research and Technology Dr B.J. Habibie said today.

He said they should instead work more closely together because they already have human resources as an asset.

"We cannot depend totally on the US and Japan. They will not champion our cause all the time. So it is up to us to establish ourselves," he added.

Habibie was speaking at a luncheon hosted in his honour by Deputy Prime Minister Datuk Sri Anwar Ibrahim at the Finance Ministry here.

He earlier held informal discussions with Anwar on a wide range of matters. He said Indonesia, with 192 million people, could take the lead on many matters affecting the region.

"We are working towards improving our position as a country with high-technology industries. Our target is to have at least one per cent of our population involved in hi-tech industries."

Anwar in his speech, said recent developments had shown that Malaysia's relations with Indonesia, Singapore and Brunei had improved tremendously. But, he added, he would continue to work hard to bring ties between the countries even closer. He said the relations had never been this good but there was still plenty of room for improvement.

"Recent developments indicate that Malaysia's relations with Indonesia, Singapore and Brunei have been on a sharp upward trend. I would like to see it improve even further," he added.

Habibie is on a one-day visit here after having visited Johor Baru where he held talks with Johor Menteri Besar [Chief Minister] Tan Sri Muhyiddin Yassin on the southern growth triangle.

* Defense Pact To Be Signed With Philippines

[Editorial Report] The 2 August Kuala Lumpur UTUSAN MALAYSIA in Malay on page 2 reported that Kuala Lumpur and Manila will sign a bilateral defense pact in September to boost military cooperation and to deal with piracy in common waters. Malaysian Defense Minister Najib Tun Razak said that the agreement will cover joint army and navy exercises. In addition, both sides plan to organize coordinated marine patrols in their respective waters and exchange information on piracy problems in order to formulate preventive measures.

Najib stated that Malaysia's economic well-being depends to a large extent on the seas, as virtually 95 percent of its trade is handled via sea transportation. Najib also pointed out that ties between the two countries have been "strained" for three decades because of the Philippines' claim to the east Malaysian state of Sabah, once ruled by a Filipino sultan who leased the territory to European traders in the 19th century. Sabah was made part of Malaysia after the state gained independence from Britain in 1963.

Singapore

Japanese Prime Minister in Singapore on Visit

Arrives 28 Aug

OW2808033694 Tokyo KYODO in English 0315 GMT 28 Aug 94

[Text] Singapore, Aug. 28 KYODO—Japanese Prime Minister Tomiichi Murayama arrived in Singapore on Sunday for a three-day official visit on the last stop of a Southeast Asian tour that has already taken him to the Philippines, Vietnam and Malaysia.

Murayama, accompanied by his daughter, was greeted on his arrival at Changi International Airport by Singaporean Trade and Industry Minister Yeo Cheow Tong.

On Sunday afternoon he will lay a wreath at a memorial for the civilian victims of Japanese military aggression during World War II, setting a precedent for Japanese premiers who have previously bypassed the memorial on their official trips to Singapore.

The last Japanese prime minister to visit the island republic was Toshiki Kaifu, in 1991. Murayama's visit is expected to focus on boosting economic cooperation between Singapore and Japan.

The Japanese leader will be given a ceremonial welcome Monday at the Istana, the official residence of President Ong Teng Cheong.

Later on Monday, Murayama is scheduled to confer separately with Ong, Prime Minister Goh Chok Tong and Senior Minister Lee Kuan Yew. In the evening he will attend an official banquet hosted by Goh.

Murayama will leave Singapore for home on Tuesday, ending his eight-day, four-nation tour.

Met by Trade, Industry Minister

BK2808120894 Singapore Singapore Broadcasting Corporation in English 1100 GMT 28 Aug 94

[Text] Japanese Prime Minister Tomiichi Murayama has arrived in Singapore for a three-day visit. Mr. Murayama, who is accompanied by his daughter Mrs. Yuri Nakahara and senior government officials, was received by Minister for Trade and Industry Mr. Yeo Cheow Tong.

Mr. Murayama later laid a wreath at the Beach Road memorial for civilian victims of the Japanese occupation. Tomorrow, the Japanese prime minister will receive a ceremonial welcome at the Istana [Palace] and then pay a courtesy call on President Ong Teng Cheong. He will also hold talks with Prime Minister Goh Chok Tong and Senior Minister Lee Kuan Yew. Singapore is the last leg of Mr. Murayama's Southeast Asian tour, which included the Philippines, Vietnam, and Malaysia.

Lays Wreath at War Memorial

OW2808140994 Tokyo KYODO in English 1219 GMT 28 Aug 94

[Text] Singapore, Aug. 28 KYODO—Japanese Prime Minister Tomiichi Murayama laid a wreath at a memorial to Singaporean civilians slain by Japanese troops in World War II after his arrival in Singapore on Sunday.

Murayama is the first Japanese premier to visit the 70-meter-tall monument, which holds the remains of some Singaporeans killed by Japanese soldiers during the 1942-45 occupation.

His gesture was welcomed by Singapore officials as an apparent bid to placate Singaporeans, who remain dissatisfied with the apologies given by Japanese leaders, observers said.

Murayama, visiting Singapore on the last leg of a four-nation Southeast Asian tour, was greeted by Singaporean Foreign Minister Shanmugam Jayakumar and Trade and Industry Minister Yeo Cheow Tong when he arrived at the memorial.

The heads of four chambers of commerce representing the Chinese, the Malays, the Indians and the Eurasians—Singapore's four main racial groups—were also present to welcome him.

In the ceremony lasting less than 10 minutes, Murayama observed one minute of silence before placing the wreath and bowing for a few seconds. He then toured the memorial and signed his name on a book for VIP visitors, but did not leave any message.

Jayakumar told reporters that Murayama's visit and the wreath-laying "is a very significant act on the part of the Japanese prime minister and the Japanese Government because this is the first time that any visiting Japanese prime minister has done it."

He also said, "Singaporeans will appreciate the significance of the gesture."

Previous Japanese premiers had bypassed the memorial but the speaker of Japan's House of Representatives, Takako Doi, placed a wreath there when she visited Singapore last week.

The elderly people among the Chinese, who form about 80 percent of the population, still harbor bitter feelings toward Japan because Japanese troops killed hundreds of thousands of Chinese civilians during the occupation.

Kwek Leng Joo, 41, president of the Singapore Chinese Chamber of Commerce and Industry, said Murayama's gesture "is a good start" and expressed hope that future Japanese prime ministers will also do the same thing when they visit Singapore.

Comments on Early Poll, UNSC Role

OW2808085794 Tokyo KYODO in English 0842 GMT 28 Aug 94

[Text] Singapore, Aug. 28 KYODO—Japanese Prime Minister Tomiichi Murayama on Sunday denied the possibility of dissolving the House of Representatives for a snap general poll even after a bill to redraw a new electoral map for the powerful chamber becomes law.

"I cannot understand why I should dissolve the lower house as soon as the redistricting bill wins Diet approval," Murayama told reporters traveling with him on a four-nation Southeast Asian swing.

Murayama, who arrived here earlier Sunday, said he opposes an early election because of pressing issues his administration needs to handle such as tax system reform.

To tackle the tasks, the Japanese leader said, it is undesirable to contest a general election for a certain period even after the redistricting legislation becomes law.

The Diet in January legislated a set of bills to replace the current multiseat electoral system with a new system combining single-seat constituencies with proportional representation.

However, passage of the redrawing bill through the Diet is required to enable the next general election to be lawfully contested under the fresh system.

The redrawing bill is expected to get into the lawbooks during an extraordinary Diet session scheduled for fall.

Regarding Malaysian Prime Minister Mahathir Mohamed's statement on Saturday that Japan should become a permanent member of the UN Security Council [UNSC], Murayama said he believes Tokyo should consider the matter with the full blessing from the rest of the world, including its Asian neighbors.

Mahathir, in a meeting with Murayama in Kuala Lumpur, told Murayama he wants Japan to acquire the UN status and assume responsibilities for ensuring peace and stability in Asia.

The Japanese premier also told reporters he is concerned about the possibility of Japan having to play all international roles, including a military role in UN peacekeeping missions, once admitted to the council as a permanent member.

"It could go outside the bounds of the constitution," Murayama said. "It is necessary to clarify Japan's position associated with the constitution."

Tokyo has strictly limited its peacekeeping duties to a nonmilitary role, such as cease-fire monitoring, since its war-renouncing constitution forbids the threat or use of force as a means of resolving international disputes.

But Murayama also expressed doubts about the current UN Security Council system, which is monopolized by five World War II victors—Britain, China, France, the former Soviet Union and now Russia and the United States, and sought its reform to reflect more views of UN members.

The official eight-day Asian tour has taken Murayama to the Philippines, Vietnam and Malaysia. He will leave Singapore for Tokyo on Tuesday.

To Promote Asian Investment With Goh

OW2908060794 Tokyo KYODO in English 0602 GMT 29 Aug 94

[Text] Singapore, Aug. 29 KYODO—Japanese Prime Minister Tomiichi Murayama agreed Monday with Singapore Prime Minister Goh Chok Tong to help fashion a framework aimed at expanding private investment in Asian countries, officials said.

The officials said Goh hailed Japanese leaders' recent acknowledgement of wartime aggression as a favorable sign that could assist Tokyo's bid to become a permanent member of the UN Security Council.

Murayama met with Goh as part of his three-day visit to Singapore on the last stop of an eight-day Southeast Asian trip that has also taken him to the Philippines, Vietnam and Malaysia.

The Japanese premier is also scheduled to confer with Senior Minister Lee Kuan Yew before holding a news conference in the afternoon.

Discusses UNSC Seat With Ong

OW2908065594 Tokyo KYODO in English 0627 GMT 29 Aug 94

[By Takehiko Kajita]

[Text] Singapore, Aug. 29 KYODO—Singapore urged Japan on Monday to become a permanent member of the UN Security Council [UNSC] to play its proper role as a global power, Japanese officials said.

President Ong Teng Cheong, meeting with Japanese Prime Minister Tomiichi Murayama, welcomed recent Japanese premiers' expression of remorse for the nation's atrocities during World War II, the officials said.

For Japan to become a permanent member of the Security Council, it is a "good sign" that Japanese prime ministers, in recent years, have voiced repentance of Japan's wartime actions, President Ong was quoted as saying.

Murayama had no time to state his opinions about the matter because Ong raised the topic at the very close of their meeting, Japan's Deputy Chief Cabinet Secretary Hiroyuki Sonoda said.

Murayama, who arrived in the island republic Sunday on the final leg of his four-nation Southeast Asian tour, has been circumspect on Japan's bid to obtain the status, citing a possible increase in its obligations on the international arena.

He renewed his concern Sunday over Japan's obligations if it became a permanent member of the UN Security Council, saying such a position could strong-arm Japan to play roles that are outside the bounds of its pacifist constitution.

Murayama, Japan's first socialist premier in nearly five decades, also conferred with Singapore Prime Minister Goh Chok Tong chiefly over bilateral and regional economic cooperation.

The two leaders agreed on the need for Japan and Singapore to help fashion a framework aimed at boosting private investment in other Asian countries, the officials said.

Goh told Murayama the expansion of private investment will contribute to help the region lay the foundation of economic growth.

Attaching importance to the Asia-Pacific Economic Cooperation (APEC) forum, Goh reportedly voiced hope that an unofficial summit meeting of the regional group scheduled for November in Indonesia will be successful.

The premier also reportedly called on Murayama to hold yet another unofficial APEC summit in Japan next year as Japan will be chairing the regional forum.

If such a meeting is held three times, it will help APEC become a stronger body, Goh was quoted as telling Murayama.

The Japanese premier assured Goh that Tokyo will do its utmost to make a success of the November APEC summit, adding he is ready to convene an unofficial meeting in Japan with the backing of other APEC member states.

Murayama, as he did in his earlier stops of his Asian tour—in the Philippines, Vietnam and Malaysia—reiterated Japan will never again become a major military power and will abide by its war-renouncing constitution.

He also briefed Goh on Japan's recent political situation and promised his three-party coalition government will make efforts to tame the turbulence in Japanese politics, the officials said.

"For Japan to contribute to Asia and the rest of the world, it is most important to stabilize its political situation," Murayama was quoted as saying.

The Japanese premier also reportedly reassured Goh of the continuity of Japan's conventional foreign policy and its emphasis on Asia.

Goh responded that Japan's frequent change of governments—three in about a year—does not amount to a destabilizing factor in the region, adding Singapore and Japan can continue cooperating in resolving regional problems.

To promote bilateral intellectual exchanges, the Japanese leader proposed holding a symposium in Japan to bring together government officials, business executives and scholars, the officials said.

Goh responded favorably to the proposal, the officials said.

Murayama also met Senior Minister Lee Kuan Yew.

The Asian tour is Murayama's third overseas trip since he assumed the premiership in June, following July visits to Naples, Italy, to attend the annual summit of the Group of Seven major economic powers and to Seoul for talks with South Korean President Kim Yong-sam.

Murayama will wrap up his official eight-day swing and return home Tuesday.

Meets Prime Minister, President Ong

BK2908124294 Singapore Singapore Broadcasting Corporation in English 1100 GMT 29 Aug 94

[Text] Singapore and Japan have agreed to cooperate further to help in the economic development of third countries. Both nations said they would look into expanding the Japanese-Singapore partnership programs for training in Third World countries. This was agreed upon during talks between Prime Minister Goh Chok Tong and visiting Japanese Prime Minister Tomiichi Murayama.

Mr. Goh also proposed that both Singapore and Japan develop joint ventures to help their private sectors and those in the industrial areas in the Riau Islands and China. Mr. Goh suggested that the private sector fund 50 percent of the partnership program while the two governments fund the other half. The inter-governmental program was started this year and eight courses have been offered so far.

Mr. Murayama also hopes to see Singapore and Japan cooperate further in the field of high technology, particularly in software and artificial intelligence. This could include areas like personnel exchanges for joint research. He also said ASEAN is a center of regional integration and he would like to have Singapore as partner for dialogue. Both leaders also agreed to hold a large- scale cultural exchange program next year to coincide with Singapore's 30th year of independence.

In his meeting with President Ong Teng Cheong earlier, Mr. Murayama assured him that despite recent changes in the Japanese Government, the country's foreign policy remains unchanged. A Japanese spokesman said Mr. Murayama told President Ong that Japan will continue to strive and reform its society, politics, and economy. He also expressed remorse over World War II.

According to the spokesman, President Ong described recent expressions of remorse by Japanese prime ministers as a good sign for Japan to become a permanent member of the Security Council. President Ong said bilateral relations in various areas have been good. He noted that there are over 140 joint venture firms operating here and the Japanese community of 20,000 is the largest foreign community in Singapore.

Later at a news conference, Mr. Murayama pledged closer relations with Southeast Asian countries to form partnerships for further progress in trade and investment. He said Japan also wants to enhance regional cooperation in the Asia-Pacific through APEC [Asia Pacific Economic Cooperation] and the ASEAN Regional Forum. Mr. Murayama said his current Asian tour had shown that the people have high expectations of Japan. In response, Japan will transfer technology and deepen exchanges in politics and culture. He also assured the Asian countries that Japan would perceive a defense-oriented policy and not (?see) a threat. He said with the end of the Cold War era it is not possible to live on the edge of confrontation and aggression. Mr. Murayama said Japan is well-placed to support its international role and its new coalition government will strive to establish agreement and consensus.

Sums Up Asia Visit

OW2908114594 Tokyo KYODO in English 1112 GMT 29 Aug 94

[By Takehiko Kajita]

[Text] Singapore, Aug. 29 KYODO—Japanese Prime Minister Tomiichi Murayama on Monday displayed a cautious stand over Japan's bid to obtain a permanent seat on the UN Security Council over uncertainty about what role Japan would need to play on the international scene.

"We are not thinking in a backward-looking manner. We should deal with this matter by trying to win support from our neighbor countries and the understanding of our people," the Japanese leader said at a news conference in Singapore, the last stop on his four-nation Southeast Asia swing.

Murayama, Japan's first socialist premier in nearly half a century, also proclaimed the need to scrutinize the rights and obligations Japan will receive if admitted to the council as a permanent member.

"We want to consider what role we can play and what contributions we can make within the bounds of our constitution," he said.

Murayama's comments came after President Ong Teng Cheong earlier Monday expressed his desire that Japan, as a major global power, will become a permanent UN Security Council member and play a greater role.

Ong hailed recent Japanese premiers' expressions of remorse for the nation's atrocities committed during World War II as a "good sign" and one which will help Japan become a permanent Security Council member.

Malaysian Prime Minister Mahathir Mohamed, in his talks with Murayama in Kuala Lumpur on Saturday, also urged Japan to push for the UN status and prepare to play a military role in UN peacekeeping efforts.

On Japan's war responsibilities, Murayama, 70, spoke at the news conference of the need for his nation to look squarely at history and recognize anew that Japan's past actions, including aggression and colonial rule, caused unbearable suffering and sorrow for many people in Asia.

"I think it is important for the entire nation to share the view that we will never again become a military power and make efforts to create peace and stability in the region," the Japanese leader said. [sentence as received]

He said the Japanese Government is contemplating specific measures, such as historical education and youth exchanges with other Asian nations, to make amends for its wartime victimization of Asia as 1995 marks the 50th anniversary of the war's end.

"Now, we are at the stage of considering specific measures," the Japanese premier said. "We hope to show in the near future what steps we will take."

Murayama also made clear Japan is willing to engage in UN peacekeeping activities abroad, not only in a humanitarian field but in others as well within the limit of its constitution that bars the threat or use of force in settling international rows.

On Tokyo's stance over a proposed East Asia Economic Caucus (EAEC) forum, Murayama remained noncommittal and sought further efforts to win the understanding of and consensus on the idea among the countries concerned.

The proposed forum would include China, Hong Kong, Japan, South Korea, Taiwan and the Association of Southeast Asian Nations (ASEAN), which groups Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

Some countries, especially the United States, have been opposed to the idea of launching the EAEC, originally floated by Mahathir and later endorsed by ASEAN as its official proposal, arguing that the EAEC could emerge as a trading bloc excluding the U.S.

Murayama also voiced confidence Japan can resolve a row with the U.S. over the setting up of a new framework for bilateral trade relations. He said Tokyo will continue substantial income tax cuts in fiscal 1995 and beyond to jumpstart the slumping Japanese economy, implement deregulation and boost the current public works spending program for 10 years through 2000.

The eight-day Southeast Asian tour has already taken Murayama to the Philippines, Vietnam and Malaysia.

It is Murayama's third overseas trip since his rise to power in June, following July visits to Naples, Italy, to attend the annual summit of the Group of Seven (G-7) major economic powers and to Seoul for talks with South Korean President Kim Yong-sam.

He is scheduled to return home Tuesday.

Cambodia

Khmer Rouge Comments on Hostage Situation

Blames Government Alliance

BK2708142594 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 27 Aug 94

[Excerpt] According to a report from Tram Kak District of Takeo Province, the people in the district have warned that if the countries involved in the problem of the three foreigners in Kampot Province do not officially declare a halt in military aid to the two heads, the problem cannot be solved. They said there was only one way out; that is, the problem will end if the military aid to the two heads is stopped.

However, if the two heads and their alliance continue to conduct this or that maneuver concerning money, or send out troops to invade, or they continue to carry out other tactics, the problem certainly will remain unresolved. The one and only solution is an official declaration must be made calling for a halt in military aid to the two heads.

The villagers said [words indistinct] of the Kampot people have underlined that the deadline for solving the problem has nearly run out. After that time, the two heads and their alliance themselves must totally shoulder the responsibility; no one else. [passage omitted]

End to Aid Would Solve Problem

BK2808144394 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 28 Aug 94

[Text] There are reports saying that Australian David Wilson has called on the Australian Government to hold direct negotiations with the Provisional Government of National Union and National Salvation instead of going through the two-headed government and that these negotiations stress on ending military aid to the two-headed government.

The people in Kampot who are guarding the three foreigners have clearly specified that they do not need even one riel. All they ask for is that Australia, France, and the United States end their military aid to the two-headed government. This request is aimed at ending the war so that Cambodia has peace again.

However, Australia, France, the United States, and the two-headed government have refused to solve the real problem. Instead, they are carrying out deceitful maneuvers about money. Furthermore, the two-headed government uses brute force and constantly shells and attacks the Phnum Voar area. This clearly shows the warmongering nature of the communist Vietnam's puppets, the two-headed government, and a number of Western alliance villains such as Australia, the United States, and France.

The Cambodian people once again warn these Western alliance villains that those who like to play with fire will get burned. If you want to solve the problem of your three nationals, you should end military aid to the two-headed government immediately. If you continue to be wishy-washy, it is your government that will be fully responsible.

No Release Without Troop Pullout

BK2908091294 Melbourne Radio Australia in English 0630 GMT 29 Aug 94

[From the "International Report" program]

[Text] Khmer Rouge [KR] guerrillas in southern Cambodia say they will release three Western hostages soon but only if government troops stop shelling and withdraw from the area. Their latest offer reported by an intermediary comes as a KR deadline nears for Western nations to end military aid to the Cambodian Government if they want the hostages released. Evan Williams reports from Phnom Penh:

[Begin recording] [Williams] In the capital Phnom Penh, information is confusing as different wings of government passed out differing updates. The Information Ministry says negotiations have stalled and there's been no direct contact with the guerrillas for days. Senior Foreign Ministry officials closely involved with the hostage crisis say negotiations with the local KR commander are, in fact, going ahead. But in a small village near the KR zone, the first direct message from the KR commander in days has emerged through a government intermediary.

[KR Commander Sem Ya, in progress] ....and they say, well, the release is not the problem. They want the government to stop shelling on our area, into our area; and also, if, when they will stop and they come in to have negotiations, I will agree with... [pauses] the release.

[Williams] Sem Ya takes regular supplies into the KR base where the three are being held captive and acts as a go-between for the government. He says the KR commander is willing to let them go if the Army stops shelling by Tuesday.

[Sem Ya] ...only thing they.... [pauses] Soon they will release them but they're still waiting from the government troops. They wait and see if there is no shelling from now until the 30th, they will release them.

[Williams] Tuesday, 30 August, is not an arbitrary date. It was first set by the KR two weeks ago as a deadline to resolve the hostage standoff. It's also been repeated in KR propaganda broadcast as the deadline for Australia, France, and Britain to guarantee they'll provide no military aid to the Cambodian Government. Unless the countries of the three foreigners announce an end to military aid, the hostage problem cannot be solved, says KR radio. The deadline to solve this has almost expired. When it expires Phnom Penh and its Western allies must accept complete responsibility for the three foreigners, it says. It's the outlawed guerrilla group's strongest warning yet it will not release them without those Western pledges. But the question now is how far does this tough and isolated KR commander have to follow the political objectives when he started this whole drama simply seeking money. [end recording]

Refuse To Deal With Government

BK2908033094 Hong Kong AFP in English 0317 GMT 29 Aug 94

[Text] Phnom Penh, Aug 29 (AFP)—Khmer Rouge [KR] rebels who have set a Tuesday deadline to negotiate the release of three western hostages are refusing to deal with Cambodian authorities, a senior government official said Monday.

The government has not had contact with the rebels since Thursday [25 August], following the Khmer Rouge demand for direct negotiations between the hostages' embassies and their nominal leader Khieu Samphan, deputy Information Minister Khieu Kanharit said.

The apparent breakdown in talks comes a day before the Khmer Rouge's August 30 deadline for reaching agreement on the release of Australian David Wilson, 29, Briton Mark Slater, 28, and French national Jean-Michel Braquet, 26.

The westerners were captured on July 26 in a guerrilla ambush on a train in the southern province of Kampot.

Khieu Kanharit said the government was doing everything possible to contact the rebels. He added that it was planning a policy of negotiation, not a military offensive.

"We wouldn't do something crazy like a military offensive," he said. "If we moved our troops and the hostages died, we would be blamed for it."

The Khmer Rouge have accused the government of trying to encircle the base in which the hostages were being held prior to a major offensive.

Visitors to the region in the past week said there were heavier troop movements on the road linking the provincial capital Kampot with Phnom Penh, and reported soldiers as saying they were expecting to attack the rebels soon.

Three Vietnamese and a number of Cambodians were also taken in the ambush, but it is not known if they are still alive.

Relief Workers Flee as Kampot Tension Rises

BK2908101794 Phnom Penh THE CAMBODIA DAILY in English 26-28 Aug 94 pp 1, 7

[Text] Kampot—In a sign of increase tensions and the growing likelihood of a violent outcome to the confrontation around Khmer Rouge controlled Phnum Voar, at least three nongovernment organizations have decided to temporarily close down their Kampot operations, government and NGO officials said yesterday.

The Kampot province Medecine Sans Frontier (MSF) team will depart in a convoy for Phnom Penh today, a MSF relief official confirmed.

"We're going to be leaving tomorrow for Phnom Penh to just talk things over," the MSF doctor said when asked about the potential of a growing security risk in the area. Australian People for Health Education Abroad (APHED), a vocational training NGO, will follow suite, Kampot government officials said. United Cambodian Community (UCC) personnel left Kampot for Phnom Penh Wednesday.

Despite the anticipated NGO exodus Kampot itself remained calm yesterday. After rumors of a August 24th RCAF [Royal Cambodian Air Force] offensive on Phnum Voar proved to be untrue, a pocket of calm appears to have set in before the August 30 Khmer Rouge imposed deadline.

The Kampot division of the Cambodian Mine Action Committee (CMAC), which employs 455 personnel, has no plans to leave the area, said Kim Ngim, the logistics coordinator for the demining operation. However, CMAC financial administrator Stan Brabant stated that recent thefts—a generator, an undisclosed amount of mineclearing equipment, and money have all gone missing the past two weeks were a sign of instability and fear among local residents.

"When things get tense in Kampot and the atmosphere changes like this, it's strange. Some things just disappear," the official said. Many in Kampot say they are feeling the stress from the political and military repercussions stemming from the July 26 KR ambush that claimed 13 victims.

"I've been thinking so hard, I have a headache," said Kampot Province Deputy Governor Tit Ream. "But for awhile we are waiting. Our government troops are still trying to defend the entire Kampot Province."

Tit Ream refused to comment on troop strength while denying reports that Australian captive David Wilson had been released. In a five minute interview he also complained of an apparent KR assassination of the Chum Kiri district chief, Sak Hai, and claimed that foreign journalists would not be allowed to pass the Damnak Chang-aeu market road-block 18 kilometers from Kompong Trach because of "security reasons."

The RCAF is said to have between three and four divisions in the Phnom Voar area. How many troops actually compose one division is difficult to estimate since ranking Kampot military officials consistently turned down requests by journalists for interviews.

Radio PGNUNS on Phnum Voar Region Campaign

Military Campaign Viewed

BK2608143394 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 26 Aug 94

[Text] I. Lately, the two heads, Hun Sen and Ranariddh, have ordered the Army General Staff of the communist Vietnamese puppets in Phnom Penh to prepare forces to launch a large-scale offensive in the Phnum Voar region. The forces were made up of 700 troops from the General Staff of the communist Vietnamese puppets; 800 troops of the Third Military Region stationed at Chom Chau in Kompong Speu Province; five regimental units consisting of 1,200 troops from Choam Khsan District [Preah Vihear Province] and Stung Treng, Kratie, Kandal, and Takeo Provinces, and 600 troops of the Kampot provincial armed unit. The two heads also called up some 400 troops from all districts in Kampot and Takeo Provinces for the same purpose. As for heavy weapons to back the onslaught, they were armored carriers, M-113 and T-54 tanks, and new T-55 tanks that the United States has just bought from Russia for the two heads, two multiple rocket launchers, and six assorted cannons.

The operational commanders were Ke Kimyan, Pol Saroeun, and commanders of the third military region and of the Kampot provincial armed unit.

II. The campaign had three goals:

1. To completely smash large and small ground-force units at Phnum Voar.

2. To use all kinds of cannons and multiple rocket launchers to pound the area in the Phnum Voar region where the two heads knew that the three foreigners were staying.

3. After the cannons and multiple rocket launchers fired hundreds of shells and rockets at the area, ground troops, tanks, and armored carriers were ordered to strike and invade the Phnum Voar region all at once.

III. The campaign was aimed at crushing the people and resistance forces in the Phnum Voar region and the three foreigners reportedly staying in the area.

The two heads planned to systematically destroy the people and resistance forces in the region, even though the three foreigners would be affected or killed. If the three were killed, the two heads would collude with the communist Vietnamese and their alliance, including the United States, to shout out that the killing of the three foreigners was committed by the Khmer Rouge.

IV. The farce was produced by the two heads—Hun Sen and Ranariddh—Chea Sim, Sar Kheng, Ke Kimyan, Pol Saroeun, the communist Vietnamese, and some Western alliances on the eve of Ranariddh's departure for Malaysia. This was why, shortly after returning from that country, Ranariddh declared that foreigners, journalists, and Western diplomats should be completely cleared out of Kampot Province.

What was the purpose of kicking foreigners out of Kampot Province? This action was aimed at launching the campaign to massacre the people and torch their houses, belongings, paddy fields, rice, and cattle according to their fascist scheme.

This is clear evidence that the two-headed clique, the communist Vietnamese, and their alliance do not care about Cambodia's peace in the least. They do not think of ways to solve the problem of the foreigners in Kampot Province. What they are doing now is to continue to fan the flames of war to massacre the Cambodian people further. As such, the two heads, the communist Vietnamese, and the alliance should be held totally and fully responsible for all present and future adverse consequences resulting from the campaign.

Ek Phnum 'Liberated'

BK2708130094 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 27 Aug 94

["Special report from Battambang battlefield"]

[Excerpt] Here is a report on the people and National Army of Democratic Kampuchea [NADK] attacking and completely wiping out the traitorous invading troops and state authorities of the two heads in the region north of Battambang provincial town.

On the morning of 27 August 1994, the people, in cooperation with the NADK, attacked and wiped out the traitorous invading troops and state authorities of the two heads along the banks of the Sangke and (Prek Chhdao) River between Prek Troap and the Don Teav River.

We liberated the whole township and district of Ek Phnum and more than a half of Battambang District; we also liberated 52 villages and freed 90,000 villagers. We dismantled the traitorous administrative networks of the two heads in two districts, namely the districts of Ek Phnum and Battambang, and 52 villages.

The people were in support of the NADK and the Provisional Government of National Union and National Salvation and were joining hands with the NADK to sweep out further the traitorous state authorities of the two heads in the direction of Battambang Town. [passage omitted]

[Hong Kong AFP in English at 1103 GMT on 27 August, in another report on an attack in Battambang, adds: "Khmer Rouge guerrillas in boats attacked the heavily-flooded town of Ansang Srok in northwest Cambodia on Saturday, killing two soldiers and wounding eight others, officials said.

"Some 100 guerrillas launched the early morning assault on a district office and police stations across Ansang Srok, about 10 kilometers (six miles) north of Battambang, the deputy governor of Battambang Province, Serei Kosal, said.

"The rebels took local authorities by surprise, arriving in boats and opening fire on the district headquarters in the remote town that has been under water following heavy rains in the area, Serei Kosal, reached by telephone, said. He said government forces had secured the town a few hours later with the help of air support from helicopters, but added that it was not yet known if the rebels had sustained any casualties in the attack.

"A foreign aid official in contact with Battambang said that a district official had been taken captive briefly during the assault, but had been later released. He said that no civilian casualties had been reported in the attack."]

'Invading' Troops Repulsed

BK2808141194 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 28 Aug 94

[Text] The invading forces of the two-headed government launched a three-pronged offensive against the Phnum Voar area on 26 August. The first prong moved from Rong Veng toward Sre Chea dike; the second prong attacked Trapeang Roka; and the third prong moved out from Dang Tong toward Kaoh (?Ta Ten) Dam.

Our army and people ambushed several segments of these three invading forces by exploding mines and moving and firing on their troops. After a full day of battle, we killed six invading troops and their bodies are left on the battlefield; seven others were wounded. We completely smashed and repulsed these three prongs of invading forces.

We destroyed a B-40 and two AK's and seized three AK's and 120 rounds of ammunition, three bundles, three hammocks, and a quantity of other military materiel.

Offensive in Kampot Denounced

BK2808140794 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 28 Aug 94

[Text] Report on the 25 August 1994 large scale offensive against the Phnum Voar region. The two-headed government, communist Vietnam, and allies should themselves be fully responsible for all the consequences resulting from this offensive now and in the future.

I. (?The past few day) Hun Sen, Ranariddh, and the two-headed government have ordered the (?general staff) office of communist Vietnam puppets in Phnom Penh to prepare forces to launch a large scale offensive against the Phnum Voar area. The forces prepared by Hun Sen, Ranariddh, and two-headed government consist of 700 troops from the general staff of communist Vietnam puppets; 800 troops from the 3rd Military Region in Choam Chau-Kompong Speu; and five regiments of troops in Choam Khsan, Stung Treng, Kratie, Kandal, and Takeo comprising about 1,200 troops and 600 troops from the Kampot provincial forces. Apart from this, the two-headed government have gathered all district forces in Kampot and Takeo Provinces, about 400 troops, to take part in this offensive.

The heavy weapons supporting this offensive include armored vehicles, M-113 tanks, new T-54 and T-55 tanks which the United States recently bought from Russia for the two-headed government, two batteries of multiple rocket launchers, and six assorted artillery pieces.

The commanders of this offensive are Ke Kimyan, Pol Saroeun, the commander of the 3d Military Region, and the commander of the Kampot provincial forces.

II. The goal of this offensive is three fold:

1. To use the infantry to completely surround Phnum Voar area;

2. To direct artillery fire and multiple rockets to the Phnum Voar area to where the two-headed government have reports the three foreigners are located;

3. After hundreds of rounds of artillery pieces and multiple rockets are fired, the infantry, tanks, and armored vehicles wil be ordered to move in on the Phnum Voar area in one go.

III. The goal of this offensive is to smash the people and the resistance forces in the Phnum Voar area and also the three foreigners who according to reports are also in this area.

The two-headed government has determined in their plan to destroy the people and the resistance forces in this area, even if it affects the lives of the three foreigners. If the three foreigners should die, the two-headed government, in collusion with communist Vietnam, and allies, such as the United States, will shout that their deaths was an act of the Khmer Rouge.

IV. This farce is staged by the two-headed government, Hun Sen, Ranariddh, Chea Sim, Sar Kheng, Ke Kimyan, Pol Saroeun, communist Vietnam, and some Western allies, before Ranariddh went to Malaysia. This is why upon returning from Malaysia Ranariddh said foreigners, whether they are reporters or not, or diplomatic representatives of Western countries, have to withdraw from Kampot Province.

What was this expulsion of foreigners from Kampot for? This is for the launching of a military offensive to kill the people and burn villages and people's property, rice, paddy, cattle in accordance with their fascist plan.

This clearly shows that the two-headed government, communist Vietnam, and allies do not give a hoot about peace in Cambodia. They do not care about solving the issue of the three foreigners in Kampot. All they think about is continuing to fuel the war to kill Cambodians.

Therefore, the two-headed government, communist Vietnam, and allies should themselves be fully responsible for all the consequences resulting from this offensive now and in the future.

Military Activities Against Khmer Rouge Reported

BK2808104494 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 28 Aug 94 p 5

[Summary] Sources in the 5th Military Region say that the Khmer Royal Armed Forces [KRAF] launched a special operation lasting for more than two weeks earlier this month to clean out the Khmer Rouge rebels in the Tonle Sap lake area and in remote parts of the region to ensure security for the people. The KRAF clashed 11 times with Khmer Rouge rebels. According to the deputy commander of the operation zone in Banteay Meanchey Province, remote villages and communes in Preah Net Preah and Mongkolborei Districts, respectively north and south of the Banteay Meanchey provincial city, have come under pressure from the Khmer Rouge rebels. Due to various activities by the Khmer Rouge, the people live in fear and production work has completely stopped. During operations against the rebels in Preah Net Preah and Mongkolborei Districts, 12 Khmer Rouge had been persuaded to surrender to local state authorities.

In Battambang Province, the KRAF also carried out operations to sweep up Khmer Rouge rebels. In a clash on 17 August, four Khmer Rouge were seriously wounded. The KRAF recently also launched another operation in the Tonle Sap area.

Split in KR Called Part of 'Political Game'

BK2808110694 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 27 Aug 94 pp 1, 2

[From the "Today's comment" column: "The Changing Policy of the Khmer Rouge"]

[Text] The report saying that Chan Youran, a high-ranking Khmer Rouge [KR] official, has split from Khieu Samphan and set up a 2,300-strong special army is a sign of a new political game for poor Cambodia. It has been reported that this alliance is made up of those who have "been upset and lost interest" from the former FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Army and the former sides of Prum Neakareach, Samdech Son Sann, and [the late] Sak Sutsakhan. A number of people are former Khmer Rouge. There are also reports saying that Prince Kromkhun Chakkrapong also has joined.

If the above reports are true, what will happen? Whatever it is, in the view of local and foreign public opinions, this alliance will blur the image of the front to eliminate the Khmer Rouge. Therefore, it should be clearly analyzed whether this split is real or just a play staged by the Khmer Rouge to confuse the public. Although information on Khmer Rouge leaders is scarce, in the past as in the present, there have been no signs or reports of a clash or friction between Chan Youran and Khieu Samphan. In the face of this situation, Cambodian observers consider Chan Youran's separation to be just a tactic similar to the one in which Pol Pot was said to have retired.

The benefit of this "metamorphosis" policy of Khmer Rouge components is to enable the Khmer Rouge to attract those who have been upset and lost interest from various former sides to join a new front opposing the royal government through the alliance. It will legitimize various assistance intended for the Khmer Rouge because the aid providers will have an excuse to say that they are not giving aid to the Khmer Rouge.

Like it or not, this alliance remains an outlawed one. With this over 2,000-strong army, what will the alliance do? Secede and destroy the royal government, public power institutions, instigate or force people to take up arms against public authorities to seek power? All these activities are against Article 4 of the bill outlawing "Democratic Kampuchea" already adopted and promulgated by the National Assembly.

National Assembly Passes Immigration Law

BK2608133894 Hong Kong AFP in English 1311 GMT 26 Aug 94

[By Philip McClellan]

[Excerpts] Phnom Penh, Aug 26 (AFP)—The Cambodian parliament approved a controversial immigration law on Friday that critics say could result in the deportation of thousands of ethnic Vietnamese from Cambodia and spark tensions with Hanoi.

Deputies voted overwhelmingly—97 votes for and one against—to pass the law, aimed at stemming the flow of illegal immigrants into the country, after five days of debate.

"It's a big achievement, and the people have been waiting for this law to be finally passed," said Finance Minister Sam Rangsi. "I hope it will contribute to bring law and order to the country."

He said that the law had not been aimed at ethnic Vietnamese living in Cambodia, but was passed "to protect our national interests, our national identity, and law and order in our country."

Human rights groups have disagreed, saying the law failed to define citizenship, leaving ethnic Vietnamese—including many whose families have lived in Cambodia for generations—subject to abuse by the authorities.

A human rights activist attending the sessions at the National Assembly called the proceedings "depressing" and said that the law had been motivated by a "deep and complete hatred of the Vietnamese."

He said that the terms of the law had been left deliberately vague, and would be subject to interpretation by various officials across the country—paving the way for corruption and the deportation of ethnic Vietnamese.

The new law would allow the confiscation of resident identity cards by local officials, and empower them to decide whether an individual should be allowed to maintain residency in Cambodia or be deported.

A Human Rights Asia report earlier criticised the law for failing to provide safeguards against mass deportations, which "raises the possibility that Cambodia might repeat some serious abuses of the recent past."

Thousands of ethnic Vietnamese were killed in bloody pogroms under the Lon Nol and Khmer Rouge regimes in the 1970's, when hundreds of thousands of people escaped to Vietnam for sanctuary.

It is not known how many ethnic Vietnamese remain in Cambodia, although Vietnamese sources put the figure at about 100,000—down from between 200,000 and 450,000 in the 1960s.

The human rights activist said that the law would immediately affect the 5,000 ethnic Vietnamese refugees stranded on the border between Cambodia and Vietnam following Khmer Rouge massacres of ethnic Vietnamese in April 1993.

The government has barred the refugees from returning to Cambodia, saying their status would be determined by the immigration law, under which they could be deported to Vietnam as many have no residency papers. [passage omitted]

Cambodian Interior Minister Yu Hokkri insisted Friday that the law was not aimed at the Vietnamese, but any foreigners "who live or stay in Cambodia legally or illegally."

He added that the law would need some fine-tuning before being implemented, although acting assembly chairman Son Sebert said that illegal workers would now be deported.

KR Commentary Calls Law 'Deception'

BK2808090594 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 27 Aug 94

[Unattributed commentary: "Exposing the So-Called Immigration Law of the Two-Headed Puppets"]

[Text] There are reports saying the two-headed government has adopted its so-called immigration law. The two-headed government has said it has been drafting this law for a year. In fact this has not been the case because the two-headed government, both the legislative and executive branches, and the state authority are all the state authority of communist Vietnam: 99 percent in Phnom Penh and 100 percent in the provinces. The masses, people, pupils, students, and newspapers have opposed the two-headed government and called for their resignation. The two-headed government then got together at the order of communist Vietnam and allies to stage this farce to dupe local and foreign opinions.

What is strange is that there were 90 votes in favor of the law and only one against. They staged the farce with those in favor and those against; they were clowning amongst themselves. The fact is that this comes to the same thing; the only difference was that it was staged.

Who will implement this piece of paper? It is still the same communist Vietnam, its puppets, and allies. Vietnamese are still everywhere in Cambodia. The essence of the law is stipulated in various articles of the law; but this is all a deception. The fact is that Vietnamese are everywhere, from Ratanakiri to Mondolkiri, Kratie, Kompong Cham, Svay Rieng, Prey Veng, Kandal, Takeo, and Kampot Provinces, in Phnom Penh, Tonle Sap, and so on.

Therefore, this immigration law is just a trick to deceive the Cambodian nation and people who will not be so stupid as to believe the farce staged by communist Vietnam, the two-headed government, and allies.

Philippines

Korean Contract Workers Abducted by 'Rebels'

President Ramos Comments

BK2908080394 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 29 Aug 94

[Text] The government is continuing its negotiations to ease tensions between the military and the armed group of the Moro Islamic Liberation Front in Carmen, Cotabato. The negotiations are being conducted by a crisis management committee that has been formed from local executives and is headed by North Cotabato Governor Rosario Diaz and Norodin Matalam of Maguindanao.

The incident occurred after the rebels raided an army detachment guarding a dam project outside the town of Carmen. Six rebels were reportedly killed while three soldiers were wounded during the incident. The committee is looking into a report that the military provoked the rebels, thus leading to the encounter.

As of now, the rebels continue to hold the seven Koreans who are contractors on the project. Eighteen Filipinos who were also working on the project were freed yesterday at around 1200. The rebels are demanding the immediate withdrawal of the military force from the area as well as food for the Koreans and their men. Based on the latest reports, there are now 100 soldiers stationed in the southern part of the project site while some 200 rebels are in the northern part.

Meanwhile, President Ramos has expressed confidence that the Korean nationals held captive by the Muslim rebels in North Cotabato will be released before the end of the day. The president made the remarks after meeting with Labor Secretary Nieves Confessor. Confessor reported to the president that the incident is a labor issue and will be resolved in due time. Confessor denied a report that the incident is another case of kidnapping.

Labor Official: Muslims Responsible

BK2908111794 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0930 GMT 29 Aug 94

[Text] The abductors of the Filipinos and Koreans in an irrigation project in North Cotabato are Muslim security guards and not Moro Islamic Liberation Front [MILF] rebels. Labor Secretary Nieves Confessor said there was a problem between Shinsung Corporation, the project contractor, and the security guards.

According to earlier reports, government troops had an encounter with MILF elements which resulted in the killing of six soldiers. The rebels then took refuge at the irrigation project and took seven South Koreans and 30 Filipino engineers hostage. However, Confessor said the rebels are not the abductors.

Sixteen 'Demoralized' Abu Sayyaf Members Surrender

BK2908064694 Manila BUSINESS WORLD in English 26 Aug 94 p 12

[Report by Sandra S. Aguinaldo]

[Text] Sixteen members of the extremist group Abu Sayyaf surrendered to the military yesterday, Southern Command [Southcom] Chief Lt. Gen. Orlando Soriano said.

One of those who surrendered, he said, was Barli Jillang, brother-in-law of the kidnap leader Jul Jillang who surrendered to the military in Zamboanga City recently.

Mr. Soriano identified the Abu Sayyaf members as Barli Jillang, Julkipli Hajal, Sabtal Sahibul, Hajad Sahibul, Abdul Salabi, Hamsali Sarah, Ajib Bungso, Anning Mairulla, Saih Mairolla, Alih Mudjahirin, Ibnihaser Mudjahirin, Isnirul Sarah, Anno Abibon, Samsulan Hassan, Adiola Said and Adula Radam.

He said the 12 surrendered because they could no longer stand the difficulties of living underground. The Southcom chief also said the Abu Sayyaf members had been badly demoralized by the death of Barahama Sali and the surrender of Mr. Jillang.

In a report to Armed Forces chief of staff Gen. Arturo Enrile, Mr. Soriano said the 12 were convinced by Col. Alberto Braganza, Southcom chief of staff and Maali Omar, Sulu mayor. The surrender has no precondition, he said.

Last 8 June, the Abu Sayyaf kidnapped more than 70 civilians including a priest in an attempt to shift the attention of the police and the military from its Sulu offensive. Fifteen hostages were killed a few hours after the kidnapping, while all the rest, except Catholic priest Fr. Cirilo Nacorda, were later freed.

The priest was released last 8 August 8 after Mr. Sali was killed in an encounter with the military. Mr. Jillang also agreed to return to the folds of law but denied any participation in the crime.

Mr. Soriano said those who surrendered were operating in Patikul, Sulu but were forced to flee the province at the height of the military offensives.

The 16 also turned over to the Southcom chief arms which included one M-16 rifle, four carbines, an M79 grenade launcher and a Belgian-made PAL rifle.

The Armed Forces of the Philippines said proper charges are being readied against them as military chief Mr. Enrile said all must face the consequences of their criminal activities. Mr. Jillang is now detained in Southcom.

Mr. Soriano said they are not qualified for government's amnesty program but vowed to provide them due process under the law.

Thailand

U.S. May Cut Aid for Military Training Program

Prime Minister Views Cut

BK2608132594 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 26 Aug 94

[Text] Prime Minister Chuan Likphai spoke with reporters today, after returning from an inspection trip to Phitsanulok Province, on the cut in the International Military Education Training program by the United States. He said the money involved is not as important as a correct understanding of the situation. He said U.S. politicians understand that the Thai Government has no part in assistance to the Khmer Rouge. However, they have now shifted their suspicion to the Thai Armed Forces. The Armed Forces, however, are regarded as part of the government, which has no policy to support the Khmer Rouge. The prime minister said he feels that the problem is caused by lack of communication between Thailand and the United States; this problem must be studied and solved.

[Begin Chuan recording, in progress] ...among American politicians. This shows that there is a gap that causes misunderstandings. It is clear that their action is not directed against the government but the Armed Forces. I feel that this is the point that must be looked into and solved to facilitate understanding of the situation. [end recording]

Foreign Minister's Reaction Cited

BK2608141794 Bangkok Radio Thailand Network in Thai 1200 GMT 26 Aug 94

[Text] Commenting to reporters about a meeting with members of the U.S. Congressional Armed Services Committee at the Foreign Ministry this afternoon, Foreign Minister Squadron Leader Prasong Sunsiri said they discussed the U.S. Congress proposal to cut assistance for training of foreign military officers, or IMET [International Military Education Training] program. Thailand currently receives annual aid of U.S.$10 million under the program.

The U.S. Congress' decision was motivated by a misunderstanding that Thailand supports the Khmer Rouge and opposes the process of democracy in Burma. Prasong said members of the U.S. Armed Services Committee explained to him that the matter was brought up by the Foreign Affairs Committee in the U.S. Congress. The Armed Services Committee, they said, believes that Thailand does not support the Khmer Rouge, and its memebers will explain to the Foreign Affairs Committee about the Thai Government's policy.

[Begin Prasong recording] They will explain to the Foreign Affairs Committee, which proposed a cut in aid for training of Thai military personnel. Those members with whom I met told me that they understand the policy of the Thai Government very well. Concerning support for the Khmer Rouge and so forth, they said that they did not believe such a claim. I also talked to them about the claim by Burmese resistance groups that they were barred from entering Thailand. I told the U.S. officials that those foreigners made frequent visits to Thailand. They are always allowed to enter Thailand, as long as they have passports and proper documents. We have never banned their entry. I asked the U.S. officials to understand us better. In conclusion, they assured us of a close relationship between the United States and Thailand and assured us of continued assistance and cooperation in areas that concerns the work of their committee or their government's policy toward Thailand. [end recording]

MP's, Army General View U.S. Move

BK2808092194 Bangkok THE SUNDAY NATION in English 28 Aug 94 p A1

[Text] The House Budget Scrutiny Committee yesterday again deferred a decision on possible retaliation against new US legislation which could cut military aid to Thailand.

Spokesman Chinnawon Bunyakiat said the committee would resume consideration of the Defence Ministry's proposed budget contribution to the Joint US Military Advisory Group (Jusmag) on Friday.

The committee last week froze the allocation pending an explanation from the Foreign Ministry following the signing into law of US legislation setting conditions on military aid to Thailand.

The act empowers the US congress to cut military assistance if Bangkok is found to be supporting the Khmer Rouge in Cambodia or hindering the activities of Burmese pro-democracy activists.

It requires the US Secretary of State to report to the Senate and House appropriations committee by Feb 1 next year.

"A representative from the Foreign Ministry will tell the committee (on Sept 2) how the ministry explained Thailand's policy on the Khmer Rouge to the world community," Chinnawon told a press conference.

Opposition lawmakers on the committee have threatened to retaliate against the United States by cutting the Defence Ministry's budget support for Jusmag in Bangkok. Jusmag played an important role in coordinating military cooperation between Thailand and the US at the height of the Vietnam war.

The US Foreign Operations Act 1995 does not automatically require that the US terminate military assistance to Thailand, according to reports from Washington. But it could affect the funds Washington pays for training foreign soldiers in the US under the International Military Education Training programme (IMET).

Thailand, every year, sends about 100 soldiers, from the rank of corporal to colonel, to be trained in the United States under the IMET programme. This year, Washington paid US $875,000 (Bt21.25 million) for Thai participation.

Permanent Secretary for Foreign Affairs Pracha Khunakasem was invited to explain the US legislation to the House committee yesterday.

Chinnawon said it was widely known that Thailand neither supports the Khmer Rouge nor obstructs pro-democracy activists in Burma. The Foreign Ministry should work out measures to explain this fact to the world community, he said.

Songsuk Phakkasem, another committee spokesman, said Pracha had assigned the Thai Ambassador in Washington DC, Manatsaphat Chuto, to confirm whether President Clinton had really signed the bill.

Army chief Gen Wimon Wongwanit said there was no need for the military to respond to US allegations that the Thai military supports the Khmer Rouge. That was the Foreign Ministry's duty.

"The armed forces will not respond unless we find an allegation unbearable," Wimon told reporters. "The armed forces feel a friend should be a real friend, both during happy and bad times. One should not behave like a friend only when he wants to make use of someone," he said.

Wimon said he had no idea how the House budget scrutiny committee considered the armed forces' budget.

"I do not think there will be a problem. The committee will give the budget appropriate consideration and will not cut it unnecessarily," he said.

Navy Chief Comments

BK2608144094 Bangkok Radio Thailand Network in Thai 1200 GMT 26 Aug 94

[Text] The Navy commander in chief, Admiral Prachet Siridet, granted an interview to newsmen after welcoming a delegation of U.S. congressmen at the Royal Thai Navy Headquarters. Reporting on the meeting, Adm. Prachet said they exchanged views on matters of direct concern to the Navy as well as on the Asian region.

He raised the question of the U.S. Congress proposal to cut aid to train foreign military personnel. On this, he said the U.S. congressmen explained that the cut was based on the fact that Thailand's economy has improved considerably and due to U.S. budget restraints. As a result, there was a decision to cut aid given in this area and spend the money on countries which really need it. The decision will take effect in 1996.

The Navy chief said he told the U.S. congressmen that the cut in military aid for the Thai Armed Forces should not be linked with Burma and the Khmer Rouge. The United States is entitled to cut foreign aid wherever it deems it is necessary to do so. He told them that if the aid cut really takes effect, the Thai military will have to seek additional budget funds to cope because there is still a need to send Thai military personnel abroad for training.

Former Foreign Minister Writes

BK2908071894 Bangkok THE NATION in English 29 Aug 94 p A7

[From the "Letters" column]

[Text] The great Wasp (White Anglo-Saxon Protestant) freemason leader has just announced an important decision to cut less than a million US dollars in aid to the Thai military, allegedly for continuing to support Khmer Rouge and the Burmese Slorc [State Law and Order Restoration Council].

To me, he deserves commendation for teaching a lesson in national pride to our political leaders who, infiltrated by Trojan Horse elements not dissimilar from that of General Noriega, a turncoat former CIA agent, do not seem to understand what the words "honour" and "national pride" mean.

I am elated because I have all along advocated renunciation of all American aid which, to me, is only a poisoned gift. It is regrettable that this recent aid cut has not been an aid rejection.

In the present context, aid granting is a means for extracting concessions, political or economic. It is, in my opinion, time for Thai people to learn and never to forget what the erstwhile friendly country has, in recent years, done in terms of harassment, humiliation and bullying to our country and to the Thai people, despite the valuable assistance and wholehearted cooperation accorded to it during the crucial time of the Vietnam War.

[Signed] Thanat Khoman, Former Foreign Minister

Official To Visit U.S. on Policy

BK2708100494 Bangkok BANGKOK POST in English 27 Aug 94 p 3

[Text] House Foreign Affairs Committee Chairman Krasae Chanawong will lead a Thai legislative delegation to the United States to explain Thailand's policy toward neighbouring countries to American congressmen.

The move came after President Bill Clinton signed into law the US Foreign Operations Act of 1995 which could cause the US to stop financial aid to the Thai Armed Forces if they are found to support the Khmer Rouge and impede support for Burmese democracy advocates, exiles and refugees.

Dr Krasae claimed yesterday that President Clinton understood that Bangkok did not support the Khmer Rouge or hinder support for Burmese democracy advocates. But he was pressured by various groups, including legislators in the US, to approve the bill.

The committee chairman said many US congressmen misunderstood Bangkok's foreign policy toward Indochina. Therefore, the Thai delegation would help clarify and improve their understanding of Thailand's policy.

The Act affects the funds Washington pays to train foreign soldiers in the US under the International Military Education Training programme (IMET). Bangkok annually sends 100 soldiers to the United States for training.

Dr Krasae said American legislators shared some political experience with their Thai counterparts and would understand the Thai policy better if both parties had friendly discussions.

"We will explain to them in a friendly manner our foreign policy toward the two neighbouring countries," said the Phalang Tham MP for Bangkok.

The US Foreign Operations Act was signed on Tuesday by President Clinton, according to the American Embassy in Bangkok.

Dr Krasae defended the Thai Government's policy toward Burmese dissidents, saying they had been assured "appropriate" rights to campaign in Thailand, while they could not do so in other ASEAN countries.

Bangkok, however, recognised the official Burmese government, the State Law and Order Restoration Council. Therefore, it could not provide full support to those dissidents.

He also accused the United States of acting as a leader to "rule the whole world with every means".

He said the US could force only small countries like Thailand to follow its demands but it could not command a superpower like China.

"Although the United States' government threatened to withdraw trade privileges, Most Favoured Nation status, from China because of its poor human rights condition, it finally agreed to keep the status quo," the MP said.

In a related development the House Foreign Affairs Committee chairman voiced opposition to the House Budget Committee's plan to freeze a 12 million baht allocation in the 1995 budget to fund the JUSMAG [Joint U.S. Military Advisory Group] in Thailand.

The move was in retaliation to the US law to suspend financial aid to Thailand.

Dr Krasae asked the budget committee to consider the good relationship between Bangkok and Washington.

He said Washington had gradually reduced help to Bangkok in many organisations because Thailand had become more developed.

Editorial Supports U.S. Policy

BK2708125094 Bangkok KRUNGTHEP THURAKIT in Thai 27 Aug 94 p 2

[Editorial: "Please Sympathize With the United States"]

[Text] The Thai Government has shown little concern about the U.S. Congressional move to propose to President Bill Clinton the endorsement of the passage of legislation to suspend annual training assistance, worth some 21 million baht, for some 100 Thai military officers. Nobody really knows how long this aid program has existed.

The major point of the issue is that the United States will cancel military assistance for Thailand under "the International Military Education Training program" if it has evidence to prove the support and cooperation Thailand rendered to the outlawed Khmer Rouge force in the latter's fight against the sole legitimate and internationally recognized Government of Cambodia and the involvement by Thai authorities in the suppression of the democratic movement in Burma.

The United States does not believe Thailand's excuse about the charge made by foreign mass media about its support for the Khmer Rouge. The Phnom Penh government itself also believes that Thailand is backing the Khmer Rouge, otherwise, the latter would not be able to exist without external financial and military support.

Ironically, the Khmer Rouge force has become unusually strong even after the halt of Chinese military support. Cambodian Government troops cannot do any harm to the Khmer Rouge now. The recapture of Pailin from government troops a few months ago, however, was attributed to the weakness of the exhausted, poorly disciplined, and unorganized government troops.

It is believed that the revenue from gem mining and log exports to Laos has enabled the Khmer Rouge to survive and remain strong and active without having to rely on support from anywhere else. The Khmer Rouge is self-sufficient and capable of fighting a protracted war in accordance with Mao Zedong's theory for the final victory when the Phnom Penh government is desperately corrupt.

Some members of the parliament and the Army spokesman carelessly said that Thailand can retaliate against the United States by cutting its support to the Joint U.S. Military Advisory Group. But the fact is the whole matter was started by the Congress, not the U.S. Government.

If President Bill Clinton endorses the legislation, it means that the U.S. Government itself silently agrees with Congress in this regard.

Nobody should panic or become angry with the United States for treating Thailand in such a manner.

This is because if the United States will not do anything clearly to defend righteousness, no country will come out to warn small countries to behave in line with the world's social framework. Therefore, we should sympathize with the United States. Meanwhile, Thailand's silence in dealing with this issue also is a sign of sympathy with the United States.

Editorial Faults Military 'Overreaction'

BK2908060994 Bangkok THE NATION in English 29 Aug 94 p A6

[Editorial: "No overreaction please in dealing with US claims"]

[Text] Last Tuesday, US President Bill Clinton signed into law a bill that could end US aid to the Thai military if the armed forces and the government are found to support Cambodia's outlawed Khmer Rouge or fail to support Burmese pro-democracy activists.

The legislation, officially known as the US Foreign Operations Act 1995, "does not require that the United States terminate military assistance to Thailand". The act requires that the US secretary of state report by Feb 1, 1995, to the US House and Senate committee on appropriations on the extent of "Thai military support for the Khmer Rouge and efforts of the Thai government to impede support for Burmese democracy advocates, exiles and refugees".

According to news reports, the act requires that "the president terminate assistance for any country or organization, that he determines is cooperating tactically or strategically, with the Khmer Rouge in their military operations".

The reports, however, said "this provision does not specifically refer to Thailand".

Passed by the US Congress early this year, the act affects the funds Washington allocates to train foreign soldiers in the US under the International Military Education Training Programme (IMET). Future IMET funds to Thailand are now conditional on US State Department reports on the Thai military.

Thailand, every year, sends about 100 soldiers from the rank of corporal to colonel to be trained in the United States under the IMET programme. This year Washington paid US$875,000 (Bt [baht] 21.25 million) for Thai participation.

In a tit-for-tat move, the Thai military said it would cut budget contributions for US officials of the Joint US Military Advisory Group (Jusmag) in Thailand. Military spokesman Lt Gen Anuson Kritsanaserani told a press conference last Tuesday, after a meeting of the commanders of the Army, Navy, Air Force and Supreme Command, that the top brass shared the opinion that the US belief that Thailand backed the Khmer Rouge and the Burmese junta was unfounded and that the Thai military should retaliate.

Army Commander-in-Chief Gen Wimon Wongwanit on Saturday said he doubted whether the US was a genuine friend of Thailand, saying his suspicion arose after some US congressmen set conditions for approving assistance to Thailand. Gen Wimon said he would not mind if the US wanted to cut its aid through the IMET. However, he did not think it proper to link the assistance "with irrelevant issues such as Thailand's not following in the footsteps of the U.S. on all issues."

The opposition, too, has joined in the fray saying Thailand should retaliate over the IMET issue, claiming the US of intended to damage Thailand's reputation by accusing it of supporting the Khmer Rouge and the Burmese junta.

Without doubt, the military's overreaction only serves to attract unnecessary attention to itself. The provisions of the US legislation are clear. Washington has not singled out Thailand overtly and the termination of assistance is subject to the State Department's report in 1995 on which parties are cooperating tactically or strategically with the Khmer Rouge in their military operations.

US-based NGOs [nongovernmental organizations] have often claimed that Thai military support for the Khmer Rouge has enabled Cambodia's outlawed terrorists to grow richer and stronger. These same NGOs also allege that Thai soldiers levy a "finder's fee" in the Khlong Tadam market in Ban Laem along the Thai-Cambodian border, where the Khmer Rouge sells gems to Thais. Also, there have been claims that Thai Marines guard the illegal Khmer Rouge lumber business in Suan Som in Chanthaburi province.

Now is the time for the Thai military to disprove these allegations instead of frothing at the mouth and taking on the United States. When the Cambodian National Assembly last month passed legislation formally outlawing the Khmer Rouge, Thai Foreign Minister Prasong Sunsiri asserted Bangkok "will cease" its relations with the Maoist guerrillas.

Both the Thai military and the Chuan government can show their sincerity to this commitment by banning entry into the country of all Khmer Rouge cadres planning to use Bangkok as a transit point for their travels overseas.

The opposition's motives in attacking the United States should also be questioned bearing in mind the fact that several of their MPs have been implicated by Washington in drug-trafficking activities. Ironically, during the recent no-confidence debate against the Chuan government the opposition, in a bid to shame Prasong, presented a report from the Cambodian Study Group alleging Thai military support for the Khmer Rouge in retaking their Anlung Veng and Pailin strongholds after they were occupied by Cambodian government troops.

The sooner the Thai military clears the air about its alleged links with the Khmer Rouge the better it will be for the country. The fact of the matter is that now, more than ever Thailand needs the United States as an active bilateral trading and security partner in the post-Cold War world. Level-headedness and not rhetoric is the only way to deal with the current allegations of Thai support for the Khmer Rouge.

Chuan Comments on Stay of Cambodia's Chakkrapong

BK2908034094 Bangkok BANGKOK POST in English 29 Aug 94 p 3

[Text] Cambodia's Prince Norodom Chakkrapong is entitled to enter Thailand any time because he has not done anything illegal, but his prolonged stay in this country may cause problems, Prime Minister Chuan Likphai said yesterday. He said he thought the prince, who was allegedly involved in a failed coup bid in Phnom Penh last month, was well aware of the position of Thailand and neighbouring countries and would stay here only temporarily.

Prince Chakkrapong made frequent visits to Thailand at this time of the year because he was planning to travel abroad, he said. The prince was earlier reported to have left Bangkok for Paris on Saturday, but he is staying on until at least the middle of this week.

As for whether Thailand would be criticised by the Cambodian government for providing shelter to the prince, Mr Chuan said Thailand had to adhere to its legal practices. But he indicated that if the prince's presence in Thailand had become an international problem, Thailand's position could be reviewed.

As the situation stands, the prince's stay is within his rights as an ordinary visitor. However, if the prince overstays his visa or breaches the law, then action can be taken against him.

Thai officials questioned Prince Chakkrapong about an alleged Thai conspiracy in the failed coup. Mr Chuan said the prince did not represent the Cambodian government and was not in a position to give any details.

Deputy Prime Minister Comments

BK2808090394 Bangkok Radio Thailand Network in Thai 0530 GMT 28 Aug 94

[Text] Asked about the report on Prince Chakkrapong's failure to leave Thailand as scheduled, Deputy Prime Minister Banyat Banthatthan said there must be some problems that prevented his departure, adding that we should wait to see what will happen in the next two or three days.

Deputy Prime Minister Banyat Banthatthan noted that the Thai side has been trying to do its best since the beginning because it does not want Prince Norodom Chakkrapong's presence in Thailand to cause the neighboring country's suspicion.

[Begin recording] [Banyat] He probably has some problems. I believe that we have been doing our best. Upon learning about his presence here, we felt uneasy because the neighboring country might be suspicious of us.

[Unidentified reporter] What will the government do if the prince refuse to leave the country?

[Banyat] Wait a few days. [end recording]

Policy Drafted To Stabilize Burmese Border

BK2808134694 Bangkok Radio Thailand Network in English 0000 GMT 28 Aug 94

[Text] A separate central policy has been drawn up by the Thai Armed Forces to deal with the situation along the Thai-Myanmar [Burma] border, aiming at peaceful coexistence of people on both sides of the border. Chairman of the Advisory Board of the Military Chiefs of Staff Lieutenant General Sanan Khachonklam held a meeting with officers concerned in Kanchanaburi, a province bordering Myanmar. He said the military aims at stabilizing the border areas through coordination of policies at all level.

A delegation from Thailand also crossed the border to discuss with their counterparts in Myanmar. Both sides have agreed to solve the problem of Mon and Karen displaced persons in Thailand. Safe areas will be provided for them by Myanmar authorities inside Myanmar. Thailand will consult Myanmar authorities on problems of fleeing ethnic people across the border in the future.

Army Official Calls Mon 'Illegal Immigrants'

BK2708105594 Bangkok THE NATION in English 27 Aug 94 p A4

[Text] The head of the Royal Thai Army's 9th Infantry Division denied yesterday that the 6,000 Mon villagers taking shelter at the Ban Fon Yang border checkpoint were fleeing from war and human rights abuses in Burma.

Maj Gen Chalong Chotikakham said the Mon were not refugees but in fact illegal immigrants who had come to Thailand for economic reasons.

"They did not flee because of human rights abuses," he said. "There is no war in this part of Burma now."

In a press conference held at the 9th Division's base in Kanchanaburi, Maj Gen Chalong played down the attack on Halockhani by Burmese troops which caused the Mon to flee to Thailand.

"The Burmese soldiers went to the camp to look for weapons because one of their soldiers had been shot. When no weapons were handed over, they got angry and burned some houses," he said.

"They also needed some porters," he added, referring to the 16 Mon who were taken prisoner.

Chalong said the Mon must go back to Halockhani because it was now safe and Thai policy was to send back all illegal immigrants. He equated this with the US policy concerning Cuban immigrants.

The Mon living at Pa Yaw, another refugee camp in Kanchanaburi, would also be sent back once a budget had been allocated, he said.

Chalong also said Thai troops would not use force to repatriate the Mon at Ban Ton Yang to go back to Halockhani.

"We will not burn any houses," he said. "We will simply try to help them move back."

Officers from the 9th Division had a meeting with the leader of the Mon national relief committee yesterday, asking him to persuade the refugees into returning.

Thai authorities have cut off the refugees from all visitors and delivery of new supplies, including rice and medicine. But the refugees have so far refused to return, claiming it is still not safe.

The UN High Commissioner for Refugees also said it was not safe for the Mon to return.

Phichai Notaphan, a member of the National Security Council, who also participated in yesterday's press conference, claimed the Mon were worthy of sympathy, but were being manipulated for political purposes.

"The Thai government is trying—with the help of the 9th Division—to get the Mon, the Karen and the Burmese to live together peacefully," Phichai said.

He added that Thailand was not trying to pressure the Mon into signing a ceasefire agreement with the Burmese junta or Slorc, the State Law and Order Restoration Council, but simply trying to carry out Thailand's policy of sending illegal immigrants home.

Chalong explained that journalists were not allowed to visit the camp at Ban Ton Yang because it would only encourage the Mon to stay.

Malaria, Low Food Supplies Reported in Mon Camp

BK2808133194 Bangkok THE SUNDAY NATION in English 28 Aug 94 p A2

[Text] A Mon woman, one of 6,000 refugees taking shelter at the Thai-Burma border in Kanchanaburi province, has died from cerebral malaria. Members of the Mon National Relief Committee (MNRC), based in Kanchanaburi's Sangkhla Buri district, claimed that permission was given to take her from the New Halockhani refugee camp to a hospital, located 22 kilometre away, but she was delayed at Border Patrol Police (BPP) checkpoints for several hours enroute.

They added that the woman, named Mi Bankyi, was 35 years old and left behind five children, including a five-month-old baby. The BPP in Sangkhla Buri could not immediately be reached for comment.

Doctors with the French medical relief agency Medecins Sans Frontieres are still being barred from entering the camp, along with journalists, MNRC leaders and any other prospective visitors. Thai authorities are enforcing a blockade on the camp—including delivery of basic supplies such as rice and medicine—until the refugees return to the Halockhani camp located on the Burmese side of the border.

The Mon fled to New Halockhani located at the Ban Ton Yang border checkpoint, last month following a raid on Halockhani by Burmese troops. Malaria, diarrhea, beriberi and respiratory tract infections are all reported to be rife among the refugees.

MNRC sources said yesterday that the refugees had about three weeks of rice left, perhaps less if Thai immigration authorities continue to deport illegal Burmese immigrants through Halockhani, where they are given food and shelter by the MNRC.

Editorial Views Military Control at Border

BK2808134094 Bangkok THE SUNDAY NATION in English 28 Aug 94 p A6

[Editorial: "Military Dictates on Both Sides of the Border"]

[Text] We might have democracy in Bangkok. But upcountry—particularly in the border regions—a military dictatorship still reigns.

How else can we explain the decision by military authorities to block off all access to Ban Ton Yang—a Thai border checkpoint where Mon refugees are taking shelter—not only to Burmese people but also to Thais and legal foreign residents? Journalists, doctors, even fact-finding commission from the House Committee on Human Rights have all been forbidden to enter the area.

While it is the local Border Patrol Police who are carrying out the blockade their orders are coming from the Kanchanaburi-based 9th Infantry Division and further up from the National Security Council (NSC).

What is it they want to hide? The fact is that the 6,000 Mon villagers at Ban Ton Yang are legitimate refugees who have fled human rights abuses carried out by Burmese soldiers, in particular the July 21 attack on Halockhani located just across the border. Most of the Mon had only moved to Halockhani this year from refugee camps in Thailand on the order of the 9th Division, which had promised that they would be safe.

The NSC says the Mon must go back to Halockhani. But if neutral observers were allowed to go in and talk to the refugees, they would find that the public explanations given for such a policy are weak.

The NSC claims the Mon are illegal immigrants who have entered Thailand to make money out of Thailand's booming economy. This is nonsense.

If the refugees wanted to make money, why are they staying in a cramped and muddy camp at the border? It's easy enough to hike along jungle trails to Sangkhla Buri from both Halockhani and Ban Ton Yang (which has been dubbed "New Halockhani" by the refugees).

Many illegal Burmese immigrants use these trails to enter Thailand and seek work, but the Mon at Ban Ton Yang have declined to do so for fear of being arrested.

Now Thai authorities are confusing the situation further by deporting captured Burmese illegals to Halockhani, where they are given precious food and shelter by Mon relief officials. Meanwhile, no new supplies of food or medicine are being allowed into the area in an effort to push the Mon back into Burma.

Ironically, immigration officials say they have been forced to deport the illegals through Halockhani because the Burmese soldiers at Three Pagodas Pass—the legal border crossing—refused to accept them. So why are we trying to help the soldiers and hurt the Mon?

The 9th Division also claims that the Mon have to return because they have been destroying Thai forests. This must be a joke, because over the last few years this same division has moved the refugees around from camp to camp within Thailand—damaging the forest at each new site.

It's true the refugees were doing a roaring trade in bamboo shoots before the road to Sangkhla Buri was closed. But this is nothing compared to what Thai migrants to Burma—loggers, that is—have done to that country's forests.

Military authorities are also claiming once again that it is safe for the Mon to live in Halockhani. But the UN High Commissioner for Refugees disagrees. And so do the refugees.

They have a lot of experience with Burmese soldiers. They know that even if the battalion at Three Pagodas Pass is now under pressure from Rangoon to refrain from attacking the refugees, sooner or later—perhaps at the next change of battalion—there will again be trouble.

The Mon refugees are not staying in Thailand because it is sabay [comfortable], as Thai soldiers claim. New Halockhani is anything but sabay; the refugees say quite openly they would like to go to back to Burma. But they are, quite simply, scared to do so.

So what are the real reasons Thai authorities are pushing so hard to send the Mon back? It's all a part of the policy of constructive engagement. They want to pressure Mon leaders into signing a ceasefire agreement with the Slorc [State Law and Order Restoration Council]. In return, well-connected Thai businessmen will receive lucrative contracts to extract timber, gas and fish from Burmese territory.

Thailand should be promoting peace between the warring sides in Burma. But this must be carried out by neutral diplomats attempting to facilitate negotiations. And refugees from Burma should be allowed to stay in Thailand until there is a real peace settlement.

The Mon in particular should be allowed to stay at Ban Ton Yang. There is plenty of room there for them to spread out a bit, and they are willing to follow Thai regulations by preserving the forest.

But the cowardly silence on this issue from the Chuan administration has been all too deafening. The politicians—the alleged voice of our democracy—have let the soldiers hijack our Burma policy, and they are simply trying to force the guerrillas to surrender.

As a result, we have taken sides in the Burma conflict, the wrong side.

Editorial Seeks Rangoon 'Guarantees' for Mons

BK2808133894 Bangkok THE SUNDAY POST in English 28 Aug 94 p 22

[Editorial: "Mon Refugees Need Convincing About 'Guarantees' of Safe Return Home"]

[Text] The fate of more that 6,000 Mon refugees given temporary shelter at the New Halockhani Camp in Sangkhla Buri district has more or less been decided. Thai authorities say when the situation returns to normal they will be sent back to Burma.

They fled to Thailand after marauding Burmese troops of the 62nd Light Infantry Battalion attacked a Mon village of Palai Thumpai close to the Halockhani Camp. The troops then attacked the main camp and set fire to the houses, about 120, where they were intercepted by Mon guerrillas.

The situation now, according to Thai authorities, has returned to normal and it's time for the Mon to return home. Thai authorities also said they recently secured "a guarantee against any future Burmese attacks" from Col Tin Kyaw of the 61st Light Infantry Battalion after the colonel met officers of the Kanchanaburi-based 9th Infantry Division. The Burmese battalion is stationed at Three Pagodas Pass.

But the Mon are questioning the sincerity of the guarantee given by the Burmese colonel. The Mon National Relief Committee and refugees insist that it is still not safe for them to return. The say their lives would be in danger if they were sent back now.

Their fear and scepticism is real and valid after their harrowing experience with the Burmese Army last month. The refugees were told by Thai authorities that all would be well when they were relocated from Loh Loe camp inside Thailand to Halockhani four months ago.

How far can the Burmese Army be trusted to keep its word after what occurred?

The Mon, we are sure, are keen to return to Halockhani to tend to their vegetable gardens, poultry and livestock, which they are now doing before scurrying back to the safety of Thai soil and the protection of the Border Patrol Police.

Perhaps, National Security Council chief Gen Charan Kunlawanit could help to obtain a more solid guarantee for the Mon refugees from the top brass in Rangoon. Gen Charan is scheduled to head a 30-member delegation to Burma tomorrow where he is scheduled to hold talks with senior Burmese leaders for four days.

Informed sources say he is likely to meet generals Than Shwe and Khin Nyunt, the most powerful figures in the ruling State Law and Order Restoration Council. A spoken guarantee, or a written one, from one of these top generals, and not just a battalion commander, would certainly carry more weight to convince the Mon that it would be safe for them to return and lead normal lives in their homeland.

The Venerable Phra Wongsa Pala, chairman of the National Mon Relief Committee which is in charge of the refugees, is also willing to give a hand in persuading the Mon to return to Halockhani.

The monk, who lives in Sangkhla Buri, says the refugees might heed his advice, but first he needs permission from the authorities to travel to the camp. "If someone talks to them reasonably, they may listen," he said.

In the meantime, we urge the Government to reopen the route leading to the camp to allow international relief agencies to resume the flow of food and medical supplies to the Mon refugees and another 2,000 illegal immigrants where the supply of food is running low.

The humanitarian act of resuming food and medical supplies will help convince them of our sincerity in caring for them, and could help pave the way for them to return voluntarily to Burma.

NSC To Probe 'Agitators' in Lao Refugee Camp

BK2908051894 Bangkok THE NATION in English 29 Aug 94 p A3

[Text] The National Security Council (NSC) has ordered an immediate inquiry into reports that agitators in a Laotian refugee camp in Nakhon Phanom province are trying to convince residents not to return home under an agreed repatriation programme, NSC deputy chief Khachatphai Burutphat said yesterday. He warned that they face arrest if caught.

"Laotians in Na Pho Camp in Nakhon Phanom are being lobbied secretly, including the use of threats, to change their mind and refuse to go home. They are being told to have hope that a third country will accept them for resettlement," Khachatphai said.

By the end of this year all 14,000 Laotian refugees—11,000 from Na Pho camp in Nakhon Phanom and the rest from Phanat Nikhom camp in Chon Buri province—are due to return home under a repatriation programme agreed to by Thailand, Laos and the UN High Commissior for Refugees.

Khachatphai said agitators were warning the refugees they would face severe punishment, even execution, if they returned to Laos.

Their activities had reduced the number of Laotians who initially volunteered to join the programme and return home.

Khachatphai said he recently visited Na Pho camp and informed the residents that they have to return home by the end of this year, when all aid from non-governmental organizations (NGOs) would also end.

Any Laotian refugees who remained after then would be treated as illegal immigrants and would face legal action.

The NSC deputy chief said the NGOs in the camp are suggested to continue their operations in Laos to help the returnees in their resettlement areas.

Vientiane has agreed to provide resettlement areas for the returnees. In Khammouane province about 12,000-rai had been set aside to ensure that they had land to farm.

The Laotians to return home by the end of this year do not include about 2,000 presently living in the Phanat Nikhom camp who had tested positive for drug use. Khachatphai declined to say how they would be dealt with. He said Vietnamese refugees in Thailand were also due to return to their homeland by the end of next year under a joint programme with the UNHCR and Vietnamese authorities.

Country To Seek 'More Active' AFTA Implementation

BK2908074694 Bangkok BANGKOK POST in English 29 Aug 94 p 19

[Report by Chatrudi Thepharat]

[Text] The Council of Economic Ministers will today consider what Thailand's stance is to be at the 26th ASEAN economic ministers' meeting in Chiang Mai next month.

Deputy Prime Minister Suphachai Phanitchaphak said Thailand will push for a more active implementation of AFTA [ASEAN Free Trade Area], and will seek greater cooperation among ASEAN countries. He said ASEAN countries should broaden their cooperation to other goods such as unprocessed agricultural products and the services sector, apart from industrial goods.

Thailand will host the 26th ASEAN economic ministers' meeting during September 22-25 to plan economic cooperation under the ASEAN Free Trade Area (AFTA). Prime Minister Chuan Likphai will preside over the opening ceremony on September 22.

During September 22-23, ASEAN economic ministers will consider accelerating the AFTA timeframe from 15 to 10 years.

Earlier, the timeframe of AFTA's effective tariff reduction of the "normal track" ranged from 0-5 percent within 15 years. Under the "fast track", tax will be reduced to 0-5 percent within seven years for products now subject to 20 percent tax or less.

If the timeframe is approved, the exclusion list will be abolished. Goods on the exclusion list may be shifted to a special track—a list of goods facing contentions taxation under the AFTA scheme. And goods on the normal track will shift to the fast track.

Dr Suphachai said the acceleration of the tariff reduction timeframe will yield better results for all ASEAN countries to improve their competitiveness in global trade.

The September session will discuss expanding AFTA to cover unprocessed agricultural products, and how to increase cooperation in the services sector.

Dr Suphachai stressed that he wants to see the AFTA scheme cover unprocessed agricultural products and some services. If senior economic officials cannot agree on some of the products included in the AFTA scheme the ministers must make a policy decision, he said.

Chulalongkon University economics professor Thirana Phongmakaphat foresees positive developments for Thailand on unprocessed agriculture products to be included in AFTA. He said that on September 24, ASEAN economic ministers will meet with Japan's Minister of International Trade and Industry to discuss economic cooperation among ASEAN countries with Japan and Indochina.

The Ministers have scheduled a meeting for September 25 with the Vietnamese minister to discuss Vietnam's potential application to join ASEAN and AFTA.

Police Not To Charge Saudis in Jewelry Case

BK2708120994 Bangkok BANGKOK POST in English 27 Aug 94 p 6

[Text] The Police Department decided yesterday not to charge two Saudi officials suspected of links with the missing Saudi jewelry due to a lack of evidence. The head of the investigating team, Police Deputy Director General Chan Rattanatham, earlier asked the Interior Ministry for approval to issue warrants for the pair's arrest. The ministry rejected the request claiming the move could damage relations between Thailand and Saudi Arabia, said a Police Department source.

The two Saudi officials, Police Capt Sayyid M.S. Azali and a diplomat attached to the Saudi embassy in Bangkok identified only as Sayyid, are accused of stealing a number of pieces of jewelry after their recovery from the original thief five years ago.

The source said the police continued with the investigation despite the warrant request being rejected and decided there was enough evidence to substantiate the allegations against the two suspects.

A summary was then forwarded to Police Director General Prathin Santipraphop who decided against pursuing the matter.

Vietnam

Japanese Prime Minister Visits 25, 26 Aug

Ambassador Previews Visit

BK2608090794 Hanoi Voice of Vietnam in English 1000 GMT 25 Aug 94

[Interview with Japanese Ambassador Ogura Kazuo by unidentified station correspondent—place, date not given]

[Text] Japanese Prime Minister Tomiichi Murayama arrives for a two-day visit to Vietnam on Thursday. Our radio correspondent interviewed Mr. Ogura Kazuo, Japanese ambassador to Hanoi, on Vietnam-Japan relations and the objectives of Prime Minister Murayama's visit. Ambassador Ogura Kazuo said:

[Recording in Japanese superimposed by English translation] Vietnam-Japan relations have developed in many fields—political, economic, cultural, scientific, and technological. I think in the future, these relations will further develop in both scope and scale. The exchange of visits between the two countries will create further understanding. I think it is very important to create a sound groundwork for long-term friendship and relations between the two countries. Bilateral relations have made much progress. Two-way turnover between Vietnam and Japan in 1993 was $1.8 billion but Japan's investment in Vietnam is only valued at $262 million.

Japan's overseas investment has been decided by private companies. In my opinion, Japanese investors realize that though investment in Vietnam will make profits, there is still a high risk. The Vietnamese Government should improve its infrastructure and investment legal environment. Japan will actively support Vietnam in improving its investment environment. Japan's official development aid will focus on essential infrastructure projects in Vietnam. Japan's investment in Vietnam is considered like an elephant. It is slow but very steady and effective.

On the purposes of Prime Minister Murayama's visit to Vietnam, Ambassador Ogura Kazuo said:

[Begin recording in Japanese superimposed by English translation] This is the first time a Japanese prime minister has visited Vietnam since the two countries established diplomatic relations in September 1973 [year as heard]. During his two-day stay, Prime Minister Murayama will hold talks with the heads of the Vietnamese state and government. They will inform each other of the construction and development of each country and exchange views on regional and international issues of common concern. They will discuss measures to promote the friendship and cooperation in many fields between the two countries. The two sides will sign an agreement on Japan's nonrefundable aid worth $77 million in 1994 fiscal year.

The visit by the Japanese prime minister will strengthen bilateral relations in the interest of peace and stability in the region. [end recording]

Aid Agreement To Be Signed

BK2608104794 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 25 Aug 94

[Text] In the framework of Japanese Prime Minister Murayama's official visit to Vietnam from 25-26 August 1994, Vietnam and Japan will sign an agreement, under which Japan will provide Vietnam with nonrefundable aid to carry out five projects as follows:

—Construction of elementary schools in areas affected by typhoons and floods;

—Supply of additional medical equipment for nine medical centers in Hanoi;

—Continuation of the building of the Gia Lam Waterwork in Hanoi;

—Implemention of the third phase of a project to restore Cho Ray Hospital in Ho Chi Minh City; and

—Implementation of the second phase of a project to upgrade Can Tho University.

The Japanese prime minister will also sign documents under which Japan will continue to provide Vietnam with official development aid (ODA) in fiscal year ending March 1995. This development aid package will be used chiefly to implement projects relating to the restoration of the countryside and construction of the Noi Bai International Airport, the Cai Lan Deep-Sea Port, and Truong Vinh Ky Convention Center in Vung Tau.

Welcoming Ceremony Held

BK2608030494 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 25 Aug 94

[Report by correspondent Quang Son]

[Summary] "At the invitation of Prime Minister Vo Van Kiet, His Excellency Tomiichi Murayama, the Japanese prime minister, arrived in Hanoi this afternoon for an official visit to Vietnam which is scheduled to last until 26 August.

This is the first visit to Vietnam by a Japanese prime minister, the highest-ranking leader of the government, since the two countries established diplomatic ties in September 1993.

"Prime Minister Tomiichi Murayama is accompanied by Mrs. Yuri Nakahara, the prime minister's daughter; Mr. Hiroyuki Sonoda, deputy chief cabinet secretary; Mr. Hiroshi Fukuda, deputy foreign minister; Mr. Hiroshi Hirabayashi, head of the Foreign Ministry's Economic Cooperation Department; Ms. Yutaka Katashima, head of the Foreign Ministry's Asia Department; and the heads of various departments under the Ministries of Finance, Industry, Trade, Agriculture, Forestry and Fishery, and of the Economic Planning Department."

The welcome ceremony was held on the compound of the presidential palace.

"At 1545 the motorcade of the Japanese prime minister and his entourage slowly entered the palace grounds. Prime Minister Vo Van Kiet walked to the motorcade to welcome the distinguished guests."

After saluting the flags of the two countries, the visiting prime minister was invited by Prime Minister Vo Van Kiet to review a guard of honor and to greet various well-wishers, including Foreign Minister Nguyen Manh Cam; Le Xuan Trinh, minister of state in charge of the government office; and Le At Hoi, chairman of the Hanoi Municipal People's Committee.

"After the official ceremony, Prime Minister Vo Van Kiet and Prime Minister Murayama held talks and then signed an agreement on the Japanese Government's nonrefundable aid amounting to over $77 million for Vietnam in 1994 to carry out various economic, public health, educational, and cultural projects including the water supply project for Gia Lam District in Hanoi.

Discusses Ties With Vo Van Kiet

BK2608032594 Hanoi VNA in English 1555 GMT 25 Aug 94

[Text] Hanoi VNA August 26—Prime Minister Vo Van Kiet held talks at the Presidential Palace here this afternoon with his Japanese counterpart Mr Tomiichi Murayama.

Attending the talks on the Vietnamese side were Minister Chairman of the Government Office Le Xuan Trinh, Vice Foreign Minister Vu Khoan, and other senior officials, and on the Japanese side, Deputy Chief of Cabinet Office Hiroyuki Sonoda and Deputy Foreign Minister H. Fukuda.

Vietnamese Prime Minister Kiet warmly welcomed Japanese Prime Minister Tomiichi Murayama's first Vietnam visit as an significant event which clearly demonstrates the rapid and favourable development of the Vietnam-Japan relationship, ushering in a new stage the friendship and cooperation relations between the two countries, and contributing to the trend of cooperation in Asia the Pacific and the world as a whole.

The two prime ministers informed each other of the situation in each country and exchanged views on international and regional issues of common concern.

Prime Minister T. Murayama affirmed Japan's support for Vietnam's renovation process and highly appreciated the achievement recorded by the Vietnamese people. He also expressed his wishes for constant development and broadening Japan's cooperation with Vietnam.

The two prime ministers expressed their pleasure at the considerable development of the friendly and cooperative relations between the two countries, particularly since the Japan visit of P.M. Vo Van Kiet in March 1993. They also discussed how to push forward and expand the multi-paced cooperation between the two countries.

The Vietnam side highly appreciated Japan's policy of strengthening long-term cooperation with Vietnam and contributing to the development of Vietnam's economy.

The two sides stressed on the importance of the expansion of goods exchange, especially the investment for development to create basis for promoting the cooperation of mutual benefit. The two sides agreed to accelerate negotiation in order to sign double taxation avoidance agreement.

They also agreed to increase the exchange of visits between all walks of life, especially young people of the two countries. The Japanese side promised to positively consider the increase of training personnel for Vietnam.

Exchanging views on regional and international situation, the two prime ministers expressed the two countries' wish to contribute to the cause for peace, cooperation in Southeast Asia, Asia the Pacific and on the world over in the principles of respect for each other's independence, sovereignty noninterference in each other's international affairs and cooperation for mutual benefit.

Speaks at Banquet With Vo Van Kiet

BK2608080194 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 25 Aug 94

[Text] Dear friends: Prime Minister Vo Van Kiet hosted a grand banquet at the Government Guest House this evening in honor of Japanese Prime Minister Tomiichi Murayama and other distinguished Japanese guests. Attending the banquet were Foreign Minister Nguyen Manh Cam; Minister Le Xuan Trinh, head of the Government Office; and many ministers, deputy ministers, and high-ranking officials in our government.

Speaking on this occasion, Prime Minister Vo Van Kiet said:

[Begin Vo Van Kiet recording] First of all, I would like to warmly welcome Your Excellency Prime Minister Tomiichi Murayama and the other distinguished Japanese guests on their first visit to Vietnam. You have brought with you the Japanese people's fine sentiments of friendship toward our people. During my visit to Japan last spring, I was deeply impressed by the great economic and scientific-technological achievements of Japan—a country with beautiful cherry blossoms—as well as by the hard work, intelligence, and creativeness of the Japanese people. Today, I am very delighted to have the opportunity to return the hospitality of the Japanese people.

As you already know, Vietnamese-Japanese ties have taken root and blossomed since ancient times and have left behind many relics, of which Hoi An [ancient city] is a symbol. Having undergone many ups and downs, Vietnamese-Japanese relations have now developed well. This is indicated by the fact that for the first time in history exchanges of visits between leaders of the two governments have taken place within just a year or so. Japan is Vietnam's biggest trading partner and also tops the list of Vietnam's development aid donor countries. Cultural exchanges have also developed at a very fast pace, thereby contributing to promoting mutual understanding between the two peoples.

We highly value the Japanese Government's positive contributions to achieving a breakthrough in relations between Vietnam and many international organizations and its proposal for a forum to seek ways to promote comprehensive development of countries in the Indochinese landmass. We believe that with the potential and aspirations of the two countries, there are still more possibilities and we need to take practical measures to widen and deepen bilateral relations. Efforts to promote investment on par with Japan's potential and level of development will lay the foundation for long lasting cooperation for mutual benefit. The application of diverse import structures and accelerated efforts to import Vietnamese goods will increase the trade index and stimulate Vietnam's manufacturing and processing industries while at the same time further opening the market for Japanese goods. It is a good idea to broaden cultural exchanges and cadre training.

Vietnam and Japan can complement each other. Both countries attach primary importance to their cooperative ties with regional countries and want to contribute to the same goals; namely, peace and stability in Southeast Asia and the Asia-Pacific region.

Viewed from this angle, I am positive that Your Excellency's Vietnam visit is an important landmark. I am glad to say that because our talks have produced important results, they will create a driving force in taking Vietnamese-Japanese relations to a new stage of development.

Encouraged by that expectation, I invite you to raise your glasses. I wish Your Excellency the Prime Minister and our other distinguished Japanese guests good health. May your Vietnam visit be crowned with success. May the friendship and multifaceted cooperation between Vietnam and Japan be consolidated and developed with each passing day. May the two peoples enjoy prosperity and happiness. My best wishes for good health to all our friends present here tonight. [end recording]

In his reply speech, Japanese Prime Minister Tomiichi Murayama said:

[Begin Murayama recording, in Japanese fading into Vietnamese translation] Your Excellency Prime Minister Vo Van Kiet and distinguished guests: At the invitation of His Excellency [H.E.] Prime Minister Vo Van Kiet, I am in Vietnam today as the first Japanese prime minister to pay an official visit to the country. I have held talks with H.E. Prime Minister Vo Van Kiet on issues relating to the friendly relations and expanding future cooperation between Japan and Vietnam. I am very delighted to note that my visit to Vietnam and Prime Minister Vo Van Kiet's visit to Japan last year have established a firm base for a new Japanese-Vietnamese era in the longstanding friendly relations between our two nations.

Today, while traveling to the city from the airport and on my way to various places for official functions, I was very moved to see the Vietnamese people busily engaged in hard work to build their country with enthusiasm and determination. I have also heard that the Japanese film series Oshin is currently being shown throughout the country on Vietnamese television and has received a warm welcome from Vietnamese viewers. For myself and other Japanese people of my age, Oshin is a film series that recalls years of hard work by the Japanese to build their country. It can be said that the Japanese people of the Oshin era set a firm foundation for the Japanese economic restoration and development after the war. Since your country shifted to a market economy and expanded its friendly relations with other nations along the renovation line, the Southeast Asian region—including Vietnam—has entered a new era. We hold that your country's development is significant not just to Vietnam, but also to Southeast Asia, the Asia-Pacific region, and the world.

Stemming from this concept, I would like to assert once again that Japan supports Vietnam's renovation policy and will do its best to contribute to this undertaking within the framework of its ability to help Vietnam develop further.

While seeking capital and technology from foreign countries is important, training our people to make them competent is also essential. I heard that there is a stone inscription at the Temple of Literature in Hanoi that says: Competent people are the strength of the nation. Clearly perceiving the meaning of this inscription, we can surely realize the significance of training our people for national construction. Japan is ready to cooperate with Vietnam in this domain. The fact that our two peoples still use chopsticks to eat their meals, take rice as their main food, and customarily drink tea reflect the similarity in the two nation's cultures. With such similarity, I am convinced that our two peoples will undoubtedly be able to strengthen their relations of friendship and comprehensive cooperation on the basis of mutual understanding and trust.

H.E. Prime Minister Vo Van Kiet and distinguished guests, I would like to sincerely thank Your Excellency and the Vietnamese people for extending my delegation and I a warm welcome and a solemn banquet. Now I would like to propose a toast to the brilliant future of your country and the increasingly strengthened Japanese-Vietnamese relations of friendship and cooperation. I wish H.E. Prime Minister Vo Van Kiet and the distinguished guests good health. [end recording]

KYODO Reports Murayama Remarks

OW2508162594 Tokyo KYODO in English 1526 GMT 25 Aug 94

[By Takehiko Kajita]

[Text] Hanoi, Aug. 25 KYODO—Japan is throwing its full weight behind Vietnam's economic reform efforts and will do its utmost to help the communist country promote a market economy, Japan's Prime Minister Tomiichi Murayama said Thursday.

"Vietnam's growth is of great importance to the growth, not only of itself, but of the whole of Southeast Asia, the Asia-Pacific region and the whole world," the visiting Japanese leader said in his speech at a banquet hosted by Premier Vo Van Kiet.

"With this perspective, we express our support of your country's 'Doi Moi (Renovation)' Policy and renew our commitment to contributing to it as far as possible," Murayama said.

Murayama, who arrived in Hanoi on Thursday as the first Japanese premier to visit Vietnam since the end of the Vietnam war in 1975, attended the dinner party held at the government guesthouse after finishing his talks with Kiet.

While touching on bilateral relations overshadowed by Japan's atrocities in Asia during World War II, Kiet said in his address that they have been making headway in renewed relations.

Kiet also said he views the reciprocal visits of the two countries' leaders in nearly one and a half years as a favorable development to forge sure-footed bilateral relations.

The Vietnamese leader visited Japan in March 1993 and met then Japanese Prime Minister Kiichi Miyazawa.

Murayama and Kiet expressed hope that Japan and Vietnam will further promote friendly and economically cooperative relations in the future as well.

The Japanese premier visited the Philippines before arriving in Vietnam, the second stop of his official eight-day swing of four Southeast Asian countries that began Tuesday. He is also scheduled to visit Malaysia and Singapore.

Murayama Meets President, Party Chief

OW2608044194 Tokyo KYODO in English 0416 GMT 26 Aug 94

[Text] Hanoi, Aug. 26 KYODO—Prime Minister Tomiichi Murayama met separately Friday [26 August] with Vietnam's head of state and with the chief of its ruling party on the last day of his two-day visit to Hanoi, part of his four-nation Southeast Asian tour.

During the meetings with President Le Duc Anh and Communist Party Secretary General Du Muoi, Murayama was expected to pledge that Japan will give high diplomatic priority to Asia and will provide solid support to Vietnam's economic development, Japanese officials said.

Murayama will renew Tokyo's promise to provide strong assistance to Vietnam's economic reform efforts through the so-called "doi moi (renovation)" policy, and will stress Japan's wish to buttress economic cooperation and exchanges in other fields in order to strengthen new bilateral ties, the officials said.

Murayama will also say that, under its pacifist constitution, Japan will not take the path toward becoming a military superpower, they said.

The Japanese premier visited the Philippines before arriving Thursday in Vietnam, the second stop of his eight-day Southeast Asian tour that began Tuesday.

Murayama, who met his Vietnamese counterpart Vo Van Kiet on Thursday, is scheduled to leave for Malaysia later in the day and will proceed to Singapore on Sunday.

Further on Meeting With Le Duc Anh

OW26080706[illegible] Tokyo KYODO in English 0655 GMT 26 Aug 94

[By Takehiko Kajita]

[Text] Hanoi, Aug. 26 KYODO—Prime Minister Tomiichi Murayama on Friday [26 August] expressed Japan's renewed determination to buttress Vietnam's economic reform efforts and to help the communist country promote a market economy, Japanese officials said.

"I am glad to see Vietnam laying the foundation of economic growth through the 'doi moi' (renovation) policy," Murayama was quoted as saying in his meeting with President Le Duc Anh at the presidential palace. "We are willing to do everything we can to help promote 'doi moi'," said Murayama, Japan's first premier to visit Vietnam since the end of the Vietnam war in 1975. Hanoi has been striving to promote a market economy under the framework of a socialist government since 1986.

Murayama, Japan's first socialist premier in nearly five decades, also welcomed Vietnam's anticipated admission to the Association of Southeast Asian Nations (ASEAN) as a development for the stability of the whole of Asia, the officials said. Vietnam is expected to be accepted as early as next year into ASEAN, which groups Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

The Japanese premier, now on a tour of four Southeast Asian countries, also praised Vietnam's efforts to improve ties with the United States and China, the officials said. Relations between Hanoi and Washington have been warming since the U.S. decision in January to lift a 19-year trade embargo against Vietnam.

Murayama also reaffirmed that Japan will maintain its war-renouncing constitution and never again become a military power, the officials said.

Expressing gratitude for Tokyo's support of Hanoi's economic reforms, Anh reportedly told Murayama that Vietnam has been trying to transform itself into an affluent society in line with the wishes of the late Vietnamese President Ho Chi Minh, the founder of the communist state. Anh also sought Japan's further economic cooperation with Vietnam and called on Tokyo to play a greater role in training Vietnamese to help advance the nation's scientific technology, the officials said.

After the talks with Anh, Murayama met Vietnamese Communist Party Secretary General Do Muoi, who accepted his invitation to make an official visit to Japan as early as next year. Touching on Japan's planned dispatch in September of Self-Defense Forces personnel to countries neighboring Rwanda to help the African nation's refugees, Murayama told Muoi that Japan hopes to contribute to the international community in the area of humanitarian aid.

While hoping that Japan and Vietnam will further promote friendly ties, Muoi expressed misgivings about the yen's high appreciation against the U.S. dollar, as Tokyo has channeled economic aid to Hanoi mostly in the form of low-interest loans, the officials said.

Friday's two meetings followed Murayama's talks on Thursday with Prime Minister Vo Van Kiet, in which the two leaders concurred on the need to forge new bilateral relations, and agreed on a framework for regular bilateral talks at the vice ministerial level to discuss Asian and global issues.

Vietnam is the second stop on Murayama's tour of four Southeast Asian countries which first took him to the Philippines. He will also visit Malaysia and Singapore.

VNA on Murayama-Le Duc Anh Meeting

BK2608151994 Hanoi VNA in English 1430 GMT 26 Aug 94

[Text] Hanoi VNA August 26—President Le Duc Anh received here this morning Japanese Prime Minister Tomiichi Murayama who is now on an official visit to Vietnam.

Also present at the reception were head of the Presidential Office Nguyen Viet Dung and Deputy Foreign Minister Vu Khoan.

During the meeting, Prime Minister T. Murayama highly appreciated the achievements recorded by the Vietnamese people in instruction and implementation of their foreign policy. Mr. T. Murayama informed President Le Duc Anh of the results of the talks between the two prime ministers and affirmed Japan's readiness to cooperate with and help Vietnam in the fields of economy, technology transfer, education, personnel training, and cultural exchanges so as to further the friendship between the two people, thus contributing to the maintenance of peace, stability and development in the Asian-Pacific region and in the world as a whole.

Speaking to his guest, President Le Duc Anh welcomed the Japanese prime minister's visit to Vietnam as an important event aimed at further strengthening the friendship and cooperation between the Vietnamese and Japanese peoples. President Le Duc Anh briefed the Japanese prime minister the socio-economic situation in Vietnam and its foreign policy to be friends with all countries in the world.

He expressed his thanks to the Japanese Government and people for their precious support and assistance to the Vietnamese people in their construction of a rich country, an equitable and civilized society. He also expressed his belief that after the Japanese prime minister's visit to Vietnam the friendship and multi-faceted cooperation between vietnam and japan will be constantly consolidatd and developed, thus contributing to the maintenance of peace, stability and development in Southeast Asia, Asia-the Pacific and in the world as a whole.

On this occasion, President Le Duc Anh asked Prime Minister T. Murayama to convey his regards to the Japanese emperor, and empress invited them to visit Vietnam.

The same morning, Prime Minister T. Muryama and his entourage paid a floral tribute to the late President Ho Chi Minh at his mausoleum.

Meets With Do Muoi, Leaves Hanoi

BK2608133594 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 26 Aug 94

[Text] Japanese Prime Minister Tomiichi Murayama paid a courtesy call on Party General Secretary Do Muoi this morning, 26 August.

The two leaders exchanged views on areas of mutual concern in a friendly and sincere atmosphere.

General Secretary Do Muoi highly valued the foreign policy of peace, cooperation, and development Japan has been following over the past few decades. He expressed the hope that through cooperation between the two countries, Vietnam will receive considerable assistance and learn from valuable Japanese experiences in its national construction, especially in the areas of economic management and cadre training.

On behalf of the Japanese Government, Prime Minister Murayama respectfully invited General Secretary Do Muoi to pay an official visit to Japan at a suitable time. The general secretary gratefully accepted this invitation with pleasure.

Also in this morning at the presidential palace, President Le Duc Anh cordially received Japanese Prime Minister Murayama. The Japanese prime minister expressed his honor at visiting Vietnam for the first time. He highly valued the achievements scored by the Vietnamese people in their renovation process and national construction and in the process of implementing their foreign policy.

President Le Duc Anh briefed the Japanese prime minister on the Vietnamese socioeconomic situation and Vietnam's foreign policy of befriending all nations in the world.

On this occasion, President Le Duc Anh asked Prime Minister Murayama to pass on his best regards to and his good-health wishes for the Japanese emperor and queen and their royal family; and his invitation for the Japanese emperor and empress to visit Vietnam. He also wished the Japanese people ever greater achievements in building a prosperous and happy country.

Japanese Prime Minister Tomiichi Murayama left Hanoi this afternoon, successfully concluding his official visit to Vietnam.

Radio Reviews Murayama Visit

BK2608155094 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 26 Aug 94

[Text] At the invitation of Prime Minister Vo Van Kiet, Japanese Prime Minister Tomiichi Murayama paid an friendship official visit to Vietnam from 25-26 August.

During the visit, Prime Minister Murayama and his entourage laid a wreath and visited the mausoleum of President Ho Chi Minh. Comrade Do Muoi, general secretary of the Communist Party of Vietnam, and President Le Duc Anh warmly received Prime Minister Murayama.

On 25 August, Prime Minister Vo Van Kiet and Prime Minister Murayama held talks. The two sides informed one another of the situation in each other's country. They exchanged basic directions and concrete measures to promote and expand friendly and cooperative relations in the areas of economics, trade, development investment, science and technology, the transfer of technology, culture, social ties, environment, interaction between the two peoples, and aviation. The two sides also exchanged views on international and regional issues concerning both countries.

On 26 August, Prime Minister Murayama and his entourage left Hanoi, successfully concluding the official visit to Vietnam.

ROK Prime Minister Interviewed by NHAN DAN

BK2908071294 Hanoi VNA in English 0637 GMT 29 Aug 94

[Text] Hanoi VNA August 29—The cooperative relations between the Republic of Korea (ROK) and Vietnam in economic, commercial and cultural fields have seen fast development, said Prime Minister Yi Yong-tok of the Republic of Korea in an interview with the daily NHAN DAN in anticipation of his official visit to Vietnam expected this afternoon.

An elaboration of the development of the friendship and economic cooperation between the two countries since the establishment of diplomatic ties in December 1992, the prime minister said that the ROK is ranked third after Taiwan and Hong Kong in investment scale in Vietnam, and also is the third biggest trading partner of Vietnam.

The two countries, he said, have promoted cooperation not only in economy and trade but also in other fields such as culture, sports and physical training. Personnel exchanges have also increased, thus helping increase mutual understanding and create basis for the development of the long-standing relationship between the two countries, the ROK prime minister added.

On the prospect of the ROK-Vietnam relations, he said: "I firmly believe that on the basis of mutual trust that has been fostered since the establishment of diplomatic ties, together with similarities in culture and history, our two countries will certainly continue cooperating with each other. The relations between ROK and Vietnam will surely be developed, for the two countries' economies may supplement each other".

"Although the two countries have just established diplomatic ties exchanges of visits have been organized between ranking officials from prime ministers, foreign ministers to politicians like congressmen, thus further strengthening the basis for the friendship and cooperation between the two countries," Prime Minister Yi Yong-tok said.

Security Tightened for Diplomats After Attack

BK2908041094 Hong Kong AFP in English 0352 GMT 29 Aug 94

[Text] Hanoi, Aug 29 (AFP)—Vietnamese authorities have tightened security around embassies and diplomatic residences after the Philippine ambassador in Hanoi was injured in a burglary attempt on his house, a spokesman said Monday. The foreign ministry spokesman expressed regret for the burglary and attack on ambassador Francisco Santos which occurred late Thursday.

Santos was "slightly injured" when he encountered the burglars, according to an embassy spokesman who said the Vietnamese had promised to make every effort to bring the culprits to justice. The incident is likely to have come as a shock to Vietnamese authorities, as Hanoi is an extremely safe city with few crimes ever reported against foreigners or diplomatic personnel.

Most embassies have only minimal security, with a guard posted outside each building. Few embassies bother with the elaborate security checks necessary in many other countries.

"Vietnam is currently taking measures to ensure the security of the Philippine ambassador's residence, personnel at the embassy and of all the diplomatic corps in Hanoi," the foreign ministry spokesman said.

"An enquiry is underway to find those guilty, to bring them to justice and to punish them severely under Vietnamese law," the spokesman said.

Company Builds Pier on Spratly Island

BK2708135194 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 27 Aug 94

[Text] Today, in Hanoi, the Marine Construction General Company held a ceremony to mark the completion of a ship pier in Truong Sa Lon [Spratly] Island. The pier is not a big project, but it was built under difficult conditions at an open sea spot with great waves and strong winds all year round. After four years of construction, the Truong Sa Pier received the first ship safely as planned. With this achievement, the government granted the Labor Order First Class to cadres and workers of the Marine Construction General Company and the Labor Order Third Class to Comrade Company Manager Nguyen The Da.

Deputy Prime Minister Visits Slovakia 24-25 Aug

BK2708092794 Hanoi VNA in English 0729 GMT 27 Aug 94

[Text] Hanoi VNA August 27—A government delegation led by Vice Prime Minister Tran Duc Luong paid an official friendship visit to Slovakia from August 24-25 at the invitation of the Slovakian Government.

Vice Prime Minister Tran Duc Luong was accompanied by Light Industry Minister Dang Vu Chu, Deputy Foreign Minister Nguyen Dy Nien, Deputy Head of the Vietnamese Government's Office Doan Manh Giao, Deputy Head of the State Committee for Cooperation and Investment Nguyen Nhac, Deputy Finance Minister Pham Van Trong, Deputy Minister of Trade Truong Dinh Tuyen and other Vietnamese senior officials.

While there, the Vietnamese delegation was received by Slovakian Prime Minister Jozef Moravcik.

It had working sessions with Slovakian delegation counterpart led by Deputy Prime Minister Ms Brigita Schmognerova.

Speaking at those meeting, host and guest informed each other of their countries' current situations, compared notes on issues of common concern and discussed measures to consolidate and develop the time honour friendship and multi-faceted cooperation between the two countries.

The two sides noted with satisfaction that the relationship between Vietnam and Slovakia is developing with a new tempo and expressed their determination to further promote their traditional and mutually beneficial cooperation.

P.M. Tran Duc Luong thanked to the Slovakian people for their precious support and assistance to the Vietnamese people in their national defence and construction as well as their help for Vietnamese who are working and studying in Slovakia. During its stay in Slovakia, the Vietnamese delegation made a tour of a number of cultural and economic establishments in Bratislava.

The delegation has left Slovakia for a Hungarian visit.

Deputy Prime Minister Ends Visit to Czech Republic

BK2708115694 Hanoi Voice of Vietnam in English 1000 GMT 26 Aug 94

[Text] Vietnamese Deputy Prime Minister Tran Duc Luong has ended his two-day visit to the Republic of Czech where the Vietnamese Government delegation held talks with the Czech Government. Deputy Prime Minister Tran Duc Luong said Vietnam would maintain and develop relations with all traditional friends in the new situation, including Czech. Czech Prime Minister Klaus said the visit opened a new chapter in the relations and cooperation between Czech and Vietnam. The two sides signed documents on bilateral trade cooperation.

Minister Concerned Over Cambodian Immigration Law

BK2608011594 Hanoi VNA in English 1547 GMT 25 Aug 94

[Text] Hanoi VNA August 25—Foreign Minister Nguyen Manh Cam yesterday sent a letter to Cambodian deputy prime minister, minister for foreign affairs and international cooperation Norodom Sirivut on the occasion of the consideration of new law on immigration of Cambodia.

In his letter, Minister Cam expressed the Vietnamese Government's and people's profound concern and worry about the law on immigration which is under discussion by the National Assembly of Cambodia and includes provisions seen by the public opinion that are not conforming to the internatinal law and common practice. Once they are adopted and implemented, they will have bad impact on the life of many Vietnamese nationals living in Cambodia for a long time affecting the long and traditional friendly relations between the two peoples and to the trend of cooperation in the region. Minister Cam also affirmed Vietnam's unswerving policy to maintain and promote the fine friendly neighbouring relationship between the two countries and to be ready to solve all existing problems between the two countries by peaceful negotiation. On that spirit, the Vietnamese foreign minister proposes to start early talks between the two countries to satisfactorily solve the issue of Vietnamese residents in Cambodia as agreed upon at the two coutries' high-level meetings.

Cambodian Immigration Bill Troubles Amity Body

BK2708152494 Hanoi VNA in English 1445 GMT 27 Aug 94

[Text] Hanoi VNA August 27—The Vietnam-Cambodia Friendship Association expressed its profound concern on the immigration bill recently adopted by Cambodia's National Assembly.

In a message sent today to the first and the second prime ministers of Cambodia, Norodom Ranariddh and Samdech Hun Sen respectively, the association noted, 'The bill includes a number of provisions that do not (not) conform to international laws and practices. Under this bill, the life of the majority of the Vietnamese who have been living in Cambodia for a long time is being threatened'.

'The people of Vietnam and Cambodia have a longstanding friendly relations. The approval of this bill will adversely affect the sentiments, aspirations and interests of our neighbouring countries. We hold that all outstanding problems between the two countries should be solved through peaceful negotiation. In that spirit, we support the agreement reached between the prime ministers of the two countries in April, 1954 on the early establishment of a mechanism to satisfactorily discuss the issue relating to Vietnamese nationals living in Cambodia' the message says.

'On behalf of the Vietnamese people, the association urgently requests the two prime ministers of Cambodia to use their position and influence to urge the Cambodian National Assembly to have some suitable amendments to the bill to conform to international laws and practices,' the message concludes.

Doan Khue Meets With Thai Counterpart

BK2608084294 Bangkok THE NATION in English 26 Aug 94 p A2

[Text] Hanoi—Thailand and Vietnam have agreed to improve military cooperation to ensure peace and security in the region, according to an official travelling with Defence Minister Wichit Sukmak.

Agreement was reached during a meeting on Wednesday between Wichit and Vietnamese Defence Minister Gen during which they exchanged views on regional security, the official said. However, there was no specific discussion on the outstanding question of law and order along the sea border and in overlapping sea lanes to prevent illegal fishing, smuggling and piracy.

According to the official, although the military is responsible for enforcing maritime law, it will act only when the two governments have agreed on a clear directive.

There has been no progress so far in talks on the management of resources in overlapping maritime zones and demarcation of the sea boundary. Vietnam has said law and order on the seas should be a priority before any joint development in the overlapping area can occur.

Wichit arrived here on Wednesday for a three-day official friendship visit at the invitation of Gen Doan Khue. After meeting his Vietnamese counterpart, Wichit called on Vietnamese President Le Duc Anh.

The defence minister yesterday visited Ho Chi Minh Mausoleum and a military unit at Xuan Mai, 42 km west of Hanoi. In the afternoon, the minister toured Hanoi's military museum and later Met Vietnamese Foreign Minister Nguyen Manh Cam.

He will leave for Ho Chi Minh City today, winding up his trip by visiting the 7th military zone and the people's committee, before returning to Bangkok tomorrow.

It is Wichit's second trip to Vietnam as defence minister. He accompanied Prime Minister Chuan Likphai here in May. Wichit refused to hold a press conference, saying his visit was routine.

Military relations between Thailand and Vietnam cooled during the Cold War and the subsequent invasion of Cambodia by Vietnam in 1978, but have become more cordial since then Army chief Gen Suchinda Khraprayun visited Hanoi two years ago and entered an agreement to exchange military attaches as a first step towards building mutual trust.

The Army sent a military attache to Vietnam in early 1992. Hanoi reciprocated later that year.

The two countries are members of Asean Regional Forum, the first regional security forum, which met last month and agreed to study proposals for military transparency, including the publication of non-classified weapons, as a way of building mutual trust.

Thai Minister Concludes Visit

BK2808145794 Hanoi VNA in English 1344 GMT 28 Aug 94

[Text] Hanoi VNA August 28—Thai Minister of Defence, Gen. Wichit Sukmak and his wife left Ho Chi Minh City on Saturday, concluding a 3-day official friendship visit.

During his stay in Vietnam, Gen. Wichit Sukmak was received by President Le Duc Anh. Gen. Sukmak met with Foreign Minister Nguyen Manh Cam who welcomed his visit as demonstration of a new step forward in the friendly relations between Vietnam and Thailand, thus contributing to peace, stability and cooperation in the region.

Gen. Sukmak paid a floral tribute to President Ho Chi Minh at his mausoleum, visited a number of cultural and economic establishments in Hanoi and Ho Chi Minh City, and paid courtesy visits to the leadership of the city, the commanders of military zone 7 and division 308, and the army museums in Hanoi and Ho Chi Minh City.

National Assembly Law Committee Visits Laos

BK2808150094 Hanoi VNA in English 1341 GMT 28 Aug 94

[Text] Hanoi VNA August 28—A delegation of the law committee of the National Assembly [NA] led by Mr Ha Minh Tri, head of the committee, paid a visit to Laos from August 21-28.

While there, the delegation held talks with a delegation of the law committee of Laos's National Assembly led by its head Mr. Khambou Sounisai. The two sides informed each other of the activities of the two national assemblies, especially of their law committees, exchanged views on the legislative work, and discussed some issues of mutual concerns.

The Vietnamese delegation paid a courtesy visit to Lao NA Chairman Saman Vi-gnaket.

A memorandum on cooperation was signed between the law committees of the national assemblies of Vietnam and Laos.

Cooperation Memorandum Signed With Laos

BK2908080094 Hanoi VNA in English 0637 GMT 29 Aug 94

[Text] Hanoi VNA August 29—Matters on Vietnam and Laos's economies were discussed and a memorandum of understanding on bilateral cooperation was signed by senior officials of the Institute of Strategy and Development and the Central Institute for Economic Management of Vietnam and officials in charge of the building of the Lao National Economics Institute.

Occasion was the Laos visit from August 18-25 by a group of senior officials of the two institutes who were received by Deputy Prime Minister Khamphoui Keoboualapha, who is also the chairman of the Lao Board of Planning and Cooperation. The Vietnamese officials visited a number of economic and cultural establishments in Vientiane capital and the province of the same name.

Farmer Recounts Capture of U.S. Pilot in Nghe An

BK2708110594 Hanoi QUAN DOI NHAN DAN in Vietnamese 7 Aug 94 pp 1,4

[Excerpt] It was an afternoon in late July. Vinh city was hit with wave after wave of heavy showers. Taking advantage of the time between the showers, we traveled to Ben Thuy ward to meet a man who captured a U.S. pilot-aggressor 30 years ago. On arriving at the office of the ward people's committee, we met its chairman, Mr. Le Van Sam, and asked about the whereabouts of Mr. Tran Ngoc Thai, the captor. Eagerly, Mr. Sam took us to a shophouse owned by Mr. Thai. Here, we met Ha, the son of Mr. Thai, who in turn led us to his home. After traveling on a winding road, we finally arrived at Mr. Thai's house, which is situated near the Lam River in front of an oil and gas depot in Bloc 2 of Ben Thuy ward. This area was formerly known as Tien Hoa hamlet of Hung Thuy village—a rural area known for the Soviet-Nghe Tinh movement.

At 50 years of age, the health of Mr. Thai, a disabled soldier from the anti-U.S. war with a disability degree of 2/4, seemed to be weak. As a person from the countryside, Mr. Thai tended to speak loudly even though we were talking indoors. A cameraman asked if he could make a brief film clip of Mr. Thai as he recounted his capture of the U.S. pilot some 30 years ago, so it could be incorporated into a film made to celebrate the first victorious [aerial] battle of 3 August [1964]. Though not so excited with this proposal, Mr. Thai spent some time with us, recounting his heroic past. He recalled the story eloquently:

In those days, I was the leader of a farm irrigation team. Two friends, Phung and Vinh, and I were on standby duty to protect river dikes. About 9 pm on 19 September 1968, I saw an enemy airplane burst into fire. In a moment, two white parachutes appeared in the sky, drifting in the bright flares. One parachute was drifting northward while the other floated southward. At a glance, I knew they were U.S. pilots. I quickly grabbed a K-50 gun and swam across the Lam River, which is about 800 meters wide. On approaching the other side, I saw the southward-bound parachute already landing in the Bai Soi area of Xuan Giang village (Ha Tinh Province). The parachutist-pilot had a gun in his hand. At this point, an enemy helicopter appeared, making many passes overhead and dropping flares which brightened up the whole area in a bid to find the pilot. The pilot saw me when I was about 15 meters away from him. He fired two shots at me but missed. I fired back, hitting his hand which was holding the gun. He cried aloud in pain. I rushed toward him, shouting "hands up" in English in the way I was trained. Meanwhile, the enemy helicopter was hovering overhead and dropped a rope ladder. I hit the pilot on his arm with my rifle butt, destroying the radio he had slung over his shoulder. He lost his balance and fell. Because of the loss of radio contact, the enemy helicopter fled. I pointed my gun at the fleeing helicopter, but unfortunately the gun failed to fire because of dud ammunition. It was only at that moment that the pilot resigned himself to surrendering. I removed the dud cartridge and then fired two shots as an identification signal. Men from the Ferry Landing Site 33 of Ben Thuy and other forces on the scene came and promptly helped me to escort the U.S. pilot to the authorities. I learned later that the pilot was Lieutenant Colonel (Kosokay). Yes, Lieutenant Colonel (Kosokay). [passage omitted]

Strike Reported at Ho Chi Minh City Factory

BK2908051494 Hong Kong AFP in English 0448 GMT 29 Aug 94

[Text] Hanoi, Aug 29 (AFP)—Three hundred workers at a Vietnamese state shoe factory have walked out to protest low wages and indiscriminate sackings, ignoring a new law that requires workers to register complaints before striking.

Workers at the Saigon Shoe Leather Enterprise, owned by the Ho Chi Minh City Directorate of Industry, went on strike Friday to protest 12 hour working days and wages of just 300,000 dong (27 dollars) a month, the Tuoi Tre newspaper said. The minimum wage in the city is supposed to be 35 dollars a month.

After a meeting with management failed to settle the issues, the workers marched to the Federation of Labour office, where they were rebuked by the group's chairman for not (?registering) their complaints before striking.

The workers had also accused the company of allowing "foreign technicians," whose nationality was not specified, to fire workers without giving a reason, the newspaper said.

A labour law passed by the National Assembly in June was aimed at protecting workers right to strike and to improve conditions while assuring foreign investors that their interests would also be protected. But the law appears to have had little affect in halting a growing number of strikes that have afflicted Vietnam's manufacturing and food processing industries, particularly in the south of the country.

Earlier this month, the first strike reported in Hanoi occurred at a fish processing factory when 200 workers walked out to protest cuts in their salaries. Strikes have been common at state-owned firms doing contract work for foreign businesses who often demand higher productivity and longer hours.

Vo Van Kiet Directs Southern Rural Projects

BK2608093394 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 25 Aug 94

[Text] In Ho Chi Minh City recently, Prime Minister Vo Van Kiet and Deputy Prime Ministers Nguyen Khanh and Tran Duc Luong worked with leaders of the people's committees of provinces from Ninh Thuan southwards, and leaders of some central ministries and sectors, on the implementation of government directive on clean water supply and environmental hygiene in rural areas.

To deal with these important issues in rural regions in both the short and long term, the prime minister decided to set up a national committee for the tasks of supplying clean water and protecting the environment, which will be put under the management of the government.

The minister of construction was assigned by the prime minister to discuss organization, duties, and working regulations of the national committee with the appopriate agencies. As an immediate task, the construction ministry will cooperate with related agencies to work out a program on clean water supply and environmental protection and report to the prime minister by 30 September. Proposals for particular projects of water supply and latrine construction for various rural areas in the country should also be started as soon as possible, and a preliminary report on these projects should be submitted to the prime minister by 30 September.

Phan Van Khai Visits Customs Department

BK2708160794 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 26 Aug 94

[Text] The Customs General Department held a meeting from 24-27 August for all leading cadres of the general department to review the tasks of the last seven months and discuss plans to implement the remaining tasks for the last five months of the year as well as for the whole of 1994.

In the last seven months, the customs sector has contributed significantly to the development of import-export industry, and achieved a turnover of nearly 4,500 billion dong, nearly twice that dof the same period last year.

Speaking at the conference, Deputy Prime Minister Phan Van Khai hailed the efforts of its cadres and employees in the last seven months. He explained major policies and government measures to implement the socioeconomic programs in the last months of 1994. The deputy prime minister pointed out the responsibility of the customs sector in two major tasks, namely administration procedural reforms and balancing the budget. He also stressed that the duty of regulating budget revenue for the rest of the year is burdensome, since it will be 1.5 times as much as the first half of the year, as reported by the Finance Ministry. The sector should strive to find ways to realize plans to increase revenue and reduce expenditure.

Losses in Tax in general and of import-export tax in particular is still serious. The customs sector needs to strive resolutely to reach and exceed the target for increasing revenue by striving for fair and just collection in accordance with state law and suppress smuggling. The sector should also firmly manage the sources of investment for upgrading facilities and the education of personnel. This is aimed at helping its cadres and employees understand the relationship between improvement of individual living standards and economic development of the society, especially the external economy. The sector should operate in a way that creates favorable conditions for rapid development of import-export activities.

Article Reviews Foreign Investment Growth

BK2508050894 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 23 Aug 94

[Article by Le Thanh Binh: "Investment Prospects"]

[Summary] "Since the introduction of the Foreign Investment Law six years ago, investment in Vietnam has developed satisfactorily in many aspects. As of August 1994, the State Committee for Cooperation and Investment granted licenses to 824 projects with total registered capital of $8.7 billion. Without counting the projects where licenses were withdrawn or expired, invested capital reached $2.8 billion or two-thirds of the total registered capital.

"Invested capital in the first six months of 1994 totaled $770 million, including $84 million from Vietnamese partners, $544 million from foreign partners, and $142 million from loans. Therefore, since the introduction of the Foreign Investment Law at the end of June 1994, investment has been $2.852 billion, or 33 percent of total capital.

"In the last six months, the foreign invested enterprises produced goods and services worth $326 million, including value in foreign currencies of $173 million and state revenue of $38 million." They have produced new commodities such as rolled steel, iron products, vehicles, oil, television, cassettes, textiles, beer, soft drinks. These enterprises have provided jobs for 23,000 people.

Realizing the strategic value of foreign investment, our government has applied many positive measures to create a favorable environment for the quick development of foreign investment. The government has approved the general planning and strategic direction for the entire economy, planning to develop important fields, lists of key projects, and local and regional planning with practical directions to attract foreign investment. Our country has three important triangles. They are the Hanoi-Hai Phong-Quang Ninh Triangle, the Hue-Da Nang-Nha Trang Triangle, and the Ho Chi Minh City-Dong Nai-Vung Tau Triangle. The government also plays an active role in balancing our investment with that of foreign countries and international organizations.

"From the promulgation of the Foreign Investment Law until the end of June 1994, our government licenced 984 projects with total registered capital of $9.531 billion. Due to many reasons, however, the 152 projects were canceled or withdrawn, constituting capital of $767 million or about 8 percent of the capital and 15 percent of the projects. This is a small percentage if we compare with other developing countries in their initial investment period, where the canceled projects number an average of 30 percent."

As of 1994, there are more than 600 companies representing more than 50 countries investing in Vietnam. ASEAN countries trail only Taiwan and Hong Kong, with total capital ranging from $179 million in 1991 to $1.2 billion in 1993. Among the ASEAN countries, Singapore leads with 60 projects.

In order to accelerate national industrialization and modernization, our government is giving priority to the construction of oil refineries, projects to produce petroleum by-products and electricity, and factories which use domestic materials. Before 2000 we will build two oil refineries with annual production of 600 million tonnes and one factory producing 1 million tonnes of steel per year.

"With the policy of multiplying and diversifying international relations, our country has completed many important steps in pursuing all aspects of development. In investment, we have had lots of experience and gained a better understanding of our customers. They have also understood us better. In the near future, foreign investment will definitely increase with better results."

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